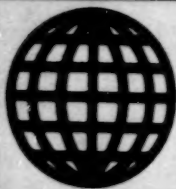


JPRS-SEA-87-100

10 AUGUST 1987



**FOREIGN  
BROADCAST  
INFORMATION  
SERVICE**

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# ***JPRS Report***

## **East Asia**

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***Southeast Asia***

10 AUGUST 1987

EAST ASIA  
SOUTHEAST ASIA

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## VOPB CRITICIZES RICE DISTRIBUTION POLICY

EK121259 (Clandestine) Voice of the People of Burma in Burmese 1200 GMT 12 Jul 87

[Unattributed "Article": "The Military Government's Domestic Rice Distribution Policy Is causing More Starvation and Hardship"]

[Text] The rice paddy-cultivation season is here again, and the people are once again hearing unpleasant news about domestic rice distribution. Everybody talks about the monthly rice distribution quota not being fulfilled as targeted, about the government having no rice stocks in hand, about the peasants starving, and about many people being arrested for not fulfilling their paddy selling quota. People are preoccupied with concern about the problems that arise from shortage of rice and paddy. Clearly the military government lied when it promised to distribute rice to all people at a monthly rate of 6 pyi, irrespective of age. Now, everyone knows that that pledge was merely hot air.

The military government also claimed that beginning from January 1987 as much rice as needed would be distributed freely without quota in the Rangoon Capital area. The actual distribution rate was only 6 pyi per month per head, and even that amount was available only in February and March. In the following months, the distribution was either irregular or at reduced rates. In several divisions in Upper Burma where rice is scarce, the rice distribution rate has now come down to 4 pyi in urban quarters. People in rural areas only get the equivalent of 4 pyi of rice in unmilled paddy, part of which is years old and rain-soaked.

While the consumers are facing such difficulties, do the rice producers--the peasants--have as much rice and seed grain as they want? Definitely not, because not only does all of what they produce, including their quota for consumption, get looted, but they also face the prospect of being jailed. Why? Because the peasants are required to sell rice according to quotas based on the figures prescribed by the Burma Socialist Program Party [BSPP] headquarters and not on their actual production. Even the estimate of their actual production is not based on the average of regional production but on the so-called harvesting of pilot paddy plots conducted by the BSPP and councillors. These people tend to overestimate the production to avoid the wrath of the high-ranking people at BSPP headquarters and to make sure that the production of their townships and divisions matches the production figures



allotted. Those who suffer under the military government's bureaucracy are the peasants and the consumers. Today, while the consumers are without rice, the peasants--the very producers of rice--are also starving and even face the threat of arrest.

Can the consumers really afford to buy rice from the unofficial market because they do not get enough rice from the government? The consumers, who are also paying high prices for other commodities on the unofficial market, do not have spare money for rice. Even if they could afford, it the situation is such that is no rice available on the unofficial market. The military government went too far in introducing oppressive measures to ban the transportation of rice from region to region. The peasants do not have any surplus rice for sale, and in fact, they are even finding it difficult to keep rice for their own consumption. This being the case, traders on the unofficial market have nothing to sell. The price of rice per pyi is being quoted at 17 to 18 kyat, but it only a figurative price as there is no rice to sell. It is only under the military government that rice has become a scarce commodity. [sentence indistinct]

As the rice price rises, the prices of other commodities naturally also rise. there is nothing strange about the prices of other foodstuffs, transportation, and [words indistinct] rising when the price of the most basic of all commodities is spiralling in such a way. Unheard of before, a cup of tea today is being sold at 1.5 to 2 kyat. Urban living costs, including rent, are soaring. [sentence indistinct]

Despite the rice situation, the military government has not told the truth to the people. It has not informed the public of the amount of paddy bought by the trade bodies and the cooperatives, the amount of rice and paddy in government hands for distribution at home, and so forth. The military government lied when it said that everyone, irrespective of age, was going to get 6 pyi per month. What sort of lie is it going to come up with this time round? The situation today is similar to that when the May-June struggles were waged by the workers in 1967 and 1974. The military government is certainly planning to free itself from the present difficulties in the same way as it wickedly and cunningly did then.

The military government is resorting to a trick of setting one party against another today. It is reported that in some townships of Upper Burma, the people in urban areas are told to buy their paddy from the villages by producing cooperatives ration books, and in rural areas, villages have fought each other [words indistinct]. When the military government faced the rice shortage problem in 1966 and 1973, the top boss of the military clique himself, as we recall, went on air to announce to the nation that there was enough rice at home and that rice exports would be made only if there was a surplus after domestic consumption. What followed next? It is common knowledge that the military government kept the people starving and sold off the rice to foreign buyers, created a racial riot to wickedly escape from the problems, shot and killed hundreds of people in Sittwe and, using automatic weapons, mercilessly massacred workers who were asking for rice in a peaceful demonstration.

With the bankruptcy of the economy, [words indistinct], the collapse of foreign exchange reserves, declining export commodity prices, and the reduced income from exports that the military government is experiencing today, no one will believe this time round if the military government comes up to say that there are sufficient rice stocks in government hands for domestic consumption and that exports would be made only if there is surplus rice stocks.

The fact is that the world rice market this year is also not very encouraging for the military government. For instance, even a country like Thailand which exports about 4 million tons a year and is second only to the United States in the world rice export trade is being drastically affected by U.S. trade protectionism under the 1985 U.S. farm and grain policy legislations. As compared to 1985, although Thailand exported 500,000 tons more in 1986, its income from rice exports was reduced by \$66.4 million. International organizations, including the Food and Agricultural Organization, forecast that 1987 will be no better than 1986. Given such a situation, in order to get foreign exchange the military government will definitely try as hard as possible to sell rice abroad even if there is not enough for consumption at home.

Another peculiar point to note this year is that the cooperatives are given the main role in rice distribution at home. Under the rice distribution program, of the 227.2 million baskets [1 basket equals about 1 bushel] of paddy to be distributed at home, the cooperatives are in charge of 137.1 million baskets while the Trade Department is responsible for 90.1 million baskets. In other words, the cooperatives are in charge of 60.34 percent, or three-fifths, of domestic consumption. This is nothing but a wicked trick of the military government. Firstly, in rice-producing areas, the Trade Department gets priority in procuring rice destined for exports and for supplying the armed forces. This makes cooperatives unable to buy the amount targeted in the plans. Since the cooperatives only get what is remaining, they squeeze the peasants dry of all the paddy, including the amount needed for peasants' consumption, so that the cooperatives can fulfill their procurement quotas. Secondly, because of profit structure of cooperatives and the expenses incurred by them at different levels, the rice price, depending on the region, gradually gets higher by the time it reached the consumers. Presently, when a village tract sells paddy to another village tract, cooperatives, which have bought paddy at a price of 950 kyat per 100 baskets, sell it back at the price of 1225 kyat. In other words, they are permitted to take as profit 28.9 baskets, or 275 kyat in terms of cash, for every 100 baskets of paddy. The profit is therefore 28.94 percent or around one fourth of the total. One dares not even imagine the rise in prices in stages from the village cooperatives to the township cooperatives, and from the divisional cooperatives to the other state and divisional cooperatives before reaching the consumers. Meanwhile, the peasants only get around 1,000 kyat per 100 baskets as earmarked by the government.

Thirdly, the cooperatives are in charges of transportation, milling, and distribution. Because of their ineptness, the shortage of transport vehicles and fuel, and lack of silos and storage facilities, coupled with the priority

that has to be given to the Trader Department, local rice distribution has become even more difficult and slower. For this very reason, problems such as the distribution of paddy in its unmilled form in place of rice, the shortage of rice in cities, and the reduction of rice quotas have arisen. Since the rice prices of the cooperatives, as prescribed by the government, are already high, prices in the outside market have gone up at rates never experienced before.

Meanwhile, the (?people's) income remains the same. The military government never takes commodity prices into account when it decides on or doles out cost of living allowances. For this reason, salaried workers and the urban poor bear the brunt of the rapidly rising social expenses and other expenditures, including bus fares, basic foodstuffs, clothing, education, health, and rent. In a situation where general commodity prices are rising, the military government faces all sorts of social problems caused by the spiralling crime rates and [words indistinct]. It is only under the military government's rule that murders are committed for just one wristwatch, or a folding umbrella, and even one longyi [sarong].

The military government is solely responsible for the shortage of rice. Neither the rice-growers, the small traders who deal in retail trade, nor the consumers can be held responsible. In the same way, we cannot point an accusing finger at the staff members of the trade corporations or the cooperatives. All of these troubles started because of the reactionary policies of the military government. It is therefore essential to make demands from the military government and struggle for the timely distribution of sufficient rice at home, the stabilization and lowering of cooperatives' rice prices, the free trade of rice between different regions in order to solve the rice problem as soon as possible, the stabilization and the lowering of general commodity prices, and the increase in wages and salaries. At the same time, demands must be made to the government to stop exporting rice while the people starve at home, and to truthfully inform the people of the facts and figures about paddy stocks in hand and so on. Since prices are bound to rise during the monsoon before the new paddy crops arrive and the rice distribution by cooperatives is bound to get even tighter, it is essential to keep a close watch on the military government's wicked and evil methods of dividing the people, creating racial riots, and stepping up the oppression of the people.

/12232

CSO: 4211/40



## BRIEFS

DELEGATION TO USSR--A Burmese Peasants Organization delegation headed by U Chit Sae, vice chairman of the Peasants Organization Central Body (POCB), left by air for the Soviet Union this afternoon at the invitation of the Central Committee of the Agricultural Workers Union of the USSR. Members of the Burmese delegation are U Nyunt Tin, POCB joint secretary, and U. Htein Lin, secretary of the Pegu Township Peasants Organization. [Summary] [Rangoon Domestic Service in Burmese 1330 GMT 10 Jun 87 BK] /12232

PARLIAMENTARY DELEGATION TO USSR--A People's Assembly delegation headed by U Gaik Tar No, alternate chairman and member of the Panel of Chairmen of the fourth session of the Fourth People's Assembly, left on a goodwill visit to the USSR this afternoon at the invitation of the USSR Supreme Soviet. Members of the delegation were seen off at Rangoon Airport by U Tun Yi, member of the Panel of Chairmen from Rangoon Division; U Htwe Han and U Win Maung, secretariat of the Burma Socialist Program Party Central Committee headquarters; U Min Kyi, secretary of the People's Assembly International Relations and Foreign Affairs Committee; Colonel Tin Hlaing, director general of the State Council Office; U Aung Khin Tint, director general of the People's Assembly Office; Mr Sergey Pavlovich Pavlov, Soviet ambassador to Burma; and responsible officials of the party Central Committee headquarters, the State Council, the People's Assembly Office, and the Foreign Ministry. Members of the delegation are U Myha Maung, representative from Myittha township Constituency-1; Daw May May Aung of Mingala-Taungmyunt Township Constituency-2; Daw Mya Thwe of Labutta township Constituency-2; U Win Shein of Bilin township Constituency-1; U Nyl Nyl of Minbya township Constituency-1; U Tow Chit of Tavoy Township Constituency-2; U Myint Than, divisional head of the party headquarters; U Maung Maung Ohn, deputy director of the People's Assembly Office. [Text] [Rangoon Domestic Service in Burmese 1300 GMT 17 Jun 87 BK] /12232

JAPANESE GRANT FOR 1986-88--U Nyunt Maung, deputy minister of planning and finance, and Mr Hiroshi Otaka, Japanese ambassador to Burma, this morning signed four memoranda of understanding at the Ministry of Planning and Finance. Under the agreements, the Japanese Government will provide the Burmese Government with 4,974,000,000 yet--the equivalent of about 231.03 million kyat--for 1986-87 and 1987-88 fiscal years. Of the total amount, 1.613 billion yen and 2.725 billion yen, respectively, will be used in construction of buildings and acquisition of machinery and equipment needed for the Seed Grain Development Project and the Central Forestry Development Training Center Projects. The amount of 591 million yen will be used for



the procurement of teaching and training aids for the Maritime Training School Project. The amount of 45 million yen, provided as cultural grant, will be used for the procurement of an electron microscope for the University Central Research Department. [Summary] [Rangoon Domestic Service in Burmese 1330 GMT 7 Jul 87 BK] /8309

FRG GENERAL COMMODITY LOAN—U Nyunt Maung, deputy minister of planning and finance, and Mr (Franz Erwin Rinz), charge d'affaires ad interim of the FRG Embassy, acting on behalf of the FRG ambassador to Burma, signed and exchanged notes concerning the general commodity loan amounting to DM 27.3 million provided by the Government of the Federal Republic of Germany today at the Ministry of Finance and Planning. The loan is to be utilized for procurement of raw materials, spare parts, agricultural machinery and implements, and industrial products needed by Burma. The loan bears no interest, but only a service charge and is repayable in 50 years, including the grace period of 10 years. [Summary] [Rangoon Domestic Service in Burmese 1330 GMT 17 Jul 87 BK] /8309

CSO: 4211/41

FIJI

**CIVIL SERVANTS REJECT GOVERNMENT PAY CUT PLAN**

HK120759 Melbourne Overseas Service in English 0700 GMT 12 Jul 87

[Text] Fiji's Public Service Association has rejected a move by the Interim Government to cut the salaries of civil servants by 25 percent. Instead, the association—Fiji's biggest union—has put an alternative plan to help overcome the economic crisis in the wake of the military coup 2 months ago. Its 5-point plan to save at least 40 million Fiji dollars includes the rescheduling of foreign debt repayment.

The association also wants the country's security forces trimmed to the level they were before the coup, saving at least half a million dollars a week. The Public Service Association has criticized the Public Service Commission's decision announced on Friday to reduce public service salaries by 25 percent in 2 weeks time.

The decision follows a similar pay cut in the armed forces due to economic difficulties caused mainly by a sharp drop in tourism and problems in the sugarcane industry since the coup.

The governor of Fiji's Reserve Bank says the country has enough reserves to pay for 3 months of imports.

/12232

CSO: 4200/702

## BRIEFS

**SUGARCANE HARVESTING BAN LIFTED**—Fiji's governor general, Ratu Sir Penaia Ganilau, says the ban on harvesting sugarcane is over, and the country's four mills will resume crushing as soon possible. In a national broadcast, Ratu Sir Penaia, said the decision to resume cane crushing followed an agreement reached by all parties in the country's sugar industry. As part of the agreement, Fiji's 20,000 cane growers will receive special cash advances based on submissions drawn up by the Cane Growers Council. Ratu Sir Penaia said the advances were being made on condition that growers would begin harvesting to ensure that the four mills each received a continuous supply of cane. The Sugar Corporation will also help set up a scheme to assist growers whose crops were lost as a result of arson. Sugar is Fiji's biggest export. Growers who are predominantly Indian put a ban on harvesting following the military coup in May and in support of demands for back payments of money owed to them. [Text] [Melbourne Overseas Service in English 0500 GMT 14 Jul 87 HK] /12232

CSO: 4200/707

MINISTER ON OBJECTIONS TO ASEAN COMMON MARKET

BK100927 Hong Kong AFP in English 0913 GMT 10 Jul 87

[Text] Singapore, 10 July (AFP)--Indonesia Friday restated its objection to turning the Association of Southeast Asian Nations (ASEAN) into a free trading entity along the lines of the European Economic Community (EEC).

The Indonesian position was voiced by its economics affairs minister, Ali Wardhana, in a talk to Singapore-based foreign journalists midway through the annual meeting of the ASEAN economic ministers which is considering proposals for greater economic integration of the six-member bloc.

He said Indonesia recognized the need for an integrated economic structure appropriate to the needs of the region but warned against taking steps like adopting a common agricultural policy followed by the 12-nation European grouping.

"We should be well advised to learn from the mistakes of others," he said adding: "In any case a European solution to European problems cannot be transferred to the ASEAN context."

"Although the collective economic strength of ASEAN is potentially great, in reality, it is too small for us to consider ourselves capable of establishing ASEAN as a full economic entity," said Mr Ali, a U.S.-trained economist.

Formation of an economic union among ASEAN--Brunei, Indonesia, Malaysia, Singapore, the Philippines and Thailand--has been suggested by the group's leading Western trade partners notably the EEC and the United States in the past 2 years.

The United States has taken the first move towards working out a liberal trading arrangement with the bloc and preliminary talks are to take place later Friday with Deputy U.S. Trade Representative Mike Smith.

The Philippines is the only ASEAN member openly supporting an EEC-type union for ASEAN, which has the broad support of ASEAN private sector business groups, while other members have expressed various reservations.

Mr Ali said the varying levels of economic development in ASEAN member countries made it unrealistic to move too fast towards economic integration, although the progress ASEAN had made in the last 2 years in holding back tariff barriers had been encouraging.



"Within the framework of further cooperation among ASEAN, we have to be realistic.... We fully realise that in order to be able to fully expand our economies, we must be able to give concessions in expanding trade among ASEAN members," he said.

But he added: "Expanding trade among ASEAN does not have to be within the framework of ASEAN."

Economic analysts said Mr Ali was referring to Indonesia's preference for bilateral agreements allowing for selective trading which would protect sectors against competition from imports.

Mr Ali said free trade in rice for example would subject farmers in Indonesia to unfair competition from cheaper Thai rice.

"ASEAN can best serve our current needs by developing a common and united front to assure entry for our commodities and manufactured products to the markets of the industrialised nations," he said.

He said the joint approach had helped Indonesia and ASEAN to weather the recent economic crisis and made the region the most economically strong and perhaps the most dynamic in the world.

/12232

CSO: 4200/694

INDONESIA

CHAMBER OF COMMERCE OFFICIAL ON SGS INSPECTION PROBLEM

Jakarta MERDEKA in Indonesian 10 Jun 87 p 9

[Excerpts] The Societe Generale de Surveillance (SGS) estimates that only 20 percent of the goods exported by China to Indonesia are directly inspected by the China National Import & Export Commodities Inspection Corporation (CCIC) at the port of loading and witnessed by non-Asian officials of the SGS.

H. M. Taha, chairman of KADIN's Chamber of Commerce and Industry China Committee (KIKC), told this to reporters in Jakarta yesterday after a meeting between KADIN leaders and SGS officials Oskar J. Kneubuhler, director general, and Daniel A. Gauchat, head of SGS's office in Jakarta.

Taha said that Chinese exports of soybeans, soybean flour and sorghum were inspected.

Oskar J. Kneubuhler said that after a meeting between SGS officials and the CCIC held in Jakarta last January they had visited China three times to discuss the next steps in the Jakarta agreement.

However, no workable agreement was reached because an Indonesian government regulation requires the presence of SGS officials at PRC loading ports to inspect the goods to be exported to Indonesia. PRC regulations, on the other hand, do not allow foreign inspectors to operate in the PRC.

The SGS needs an invitation from PRC surveyors, i.e. the CCIC, in order to inspect goods at PRC loading ports.

When asked why SGS officials had not gone to the PRC to carry out their duties, the SGS explained that invitations to inspect often arrived late. On the other hand, the PRC feels that the SGS was told about the inspections but often arrived late.

He added that the SGS believes that it is sticking to the Minister of Trade's instructions issued on 28 February 1986 that the SGS must be present in the PRC.

H. M. Taha said that SGS officials admit that they had had little business from the PRC since January 1987. In 1986, for example, the SGS issued a total of about 14,000 Inspection Confirmation Reports (LKP), including those issued to the PRC.

**SUHARTO OPTIMISTIC ABOUT RICE SELF-SUFFICIENCY**

Jakarta BUSINESS NEWS in English 10 Jul 87 p 3

[Text] President Soeharto has expressed confidence that there will be no food problem till the year 2000, particularly in rice procurement. But in due course food production will come to the maximum point, whereas the population will keep growing, especially if the family planning program is unsmooth, according to the President.

The Head of Government made the remark when he held dialogues with groups of farmers at the Jatimulya village, Subang regency, West Java, after he attended a ceremony marking the first harvest of paddy planted under the Supra Insus (special intensification) program in the regency recently.

The President pointed out that the need for rice in the country was estimated at about 24.5 million tons this year, with the assumption that the Indonesian population would be about 163 million and the per capita rice consumption would average 146 kg/year.

The rice production is projected at 27.3 million tons this year, he said, adding that with the implementation of the Supra Insus program the production could reach about 28 million tons. Thus Indonesia may have a surplus of about 3.5 million tons in the rice supply this year, he said.

Concerning the situation in the year 2000, the President said that with a population projected at about 210 million and the per capita rice consumption estimated at 146 kg/year the national rice consumption would increase to around 30 million tons. This means Indonesia must be able to raise the national rice production by 2 million tons in the next ten-year period to maintain self sufficiency in rice.

If the national rice production can be increased by 1% a year, the total increase of the production in the next ten years will reach 2.8 million tons and this will raise the national rice production to 30.8 million tons in the year 2000.

The Head of Government on the occasion also mentioned the need to intensify the implementation of the diversification program in increasing food production as the growth in the output of agricultural product will reach the maximum point.

**Village Unit Cooperatives:** Touching on the role of cooperatives, the President called on all members of farmers groups to join village unit cooperatives (KUD). He emphasized the importance of improving the organisation of KUDs.

Improvement in the organisation and management of KUDs must have been completed before Pelita V (fifth five-year development plan, 1989/90-1993/94) because the nation will use Pelita V to strengthen the foundation for development takoff, he said.

Therefore, it is imperative to improve the condition of KUDs before Pelita V. If a KUD is too big, it can be divided in to two or three units and KUDs which have shown good performances can obtain bank credits.

Concerning the implementation of the Supra Insus program the President said it was aimed at securing the maintenance of rice self-sufficiency. He reminded the farmers that the growth rate of population in Indonesian was still big though much progress had been made in the realization of the national family planning program.

The President, therefore, called on the farmers to work hard to increase further food production to maintain self-sufficiency in food. He pointed out that farmland in Java kept narrowing.

The expansion of urban areas, the creation of new settlement sites and the construction of roads as well as industrial plants on the island have engulfed productive farmland, whereas on the other hand food production has to be increased to keep abreast of the population growth.

Apart from that, the increase of food production must also improve the income and livelihood of millions of farmer families, he added.

/9274

CSO: 4200/730



**FINANCE MINISTER TRIES TO ALLAY CONCERN ABOUT ECONOMY**

Jakarta **ANGKATAN BERSENJATA** in Indonesian 9 Jun 87 pp 1, 11

[Text] Minister of Finance Radius Prawiro stated firmly that there is no reason for people to be concerned about economic conditions in Indonesia.

Radius made this statement to reporters yesterday after a plenary session of the DPR Parliament chaired by Hardjantho Sumodisastro, deputy chairman of the DPR, at the DPR building in Jakarta in which he conveyed the government's explanation of additions and changes in the 1986-1987 APBN State Budget and figures for 1983-1984 and 1984-1985 state budgets.

The minister also denied rumors that the government is going to devalue again and raise the price of fuel oil.

He emphasized that government success in handling economic programs depends on the Indonesian people themselves. It does not depend on the support of international financial institutions, such as the World Bank, the IMF or friendly nations.

People must join in opposing negative trends which are developing within Indonesian society and focus their attention on productive efforts, especially increasing exports.

The minister warned that if people base their actions on rumors, they will become unproductive, and others might take advantage of over Indonesia. "And we would lose the momentum to take part in the open international market," said Radius.

At the plenary session the minister revealed that Indonesia has had to face a difficult international economic situation in making up its 1986-1987 APBN. This had a strong influence on the APBN.

The price of oil has dropped and the value of the dollar in relation to other currencies, particularly the yen, has also dropped. The decline in the value of the dollar affects the Indonesian economy in that, among other things, the buying power of the foreign exchange from the sale of oil, which mostly consists of dollars, also declines. In addition, it becomes increasingly difficult to repay the principal and interest on foreign loans.

Although the government has made some basic efforts in the economic field, there has been a very large decline in foreign exchange from the sale of oil and gas, so that it has yet not been possible to restore the Indonesian economy to its former state.

It is clear that more time is needed to return the Indonesian economy to the satisfactory level of several years ago.

Therefore, the minister said, carrying out the 1986-1987 APBN will provide difficult but valuable experience for carrying out future APBN's and it is hoped that what happened in 1986-1987 will not happen again.

9846/12951  
CSO: 4213/91

**SOUTH KALIMANTAN'S ESTIMATED COAL RESERVES**

Jakarta ANTARA NEWS BULLETIN in English 3 Jul 87 p A1

[Text] Banjarmasin, 3 Jul (ANTARA)--The province of South Kalimantan with a territory of about 37 million hectares has coal reserves estimated at more than 1,379 million tons.

Mining activities remain however very limited, due to lack of interest on the part of domestic and foreign investors, provincial secretary Haji Gusti Hasan Aman said at a monthly meeting with newsmen here Thursday.

Surveys of the coal reserves have been carried out through several contractors since 1981, he said, and contractors and mining firms which are at present active in coal mining in the province, are among others PT Arutmin Indonesia; PT Adaro Indonesia and PT Chung Hua Overseas Mining Development.

PT Arutmin operates in Kotabaru, Tanah Laut and Banjar regencies and has discovered in its operation area coal reserves of some 799 million tons: PT Adaro Indonesia operates in Hulu Sungai Utara and Tabalong regencies with estimated coal reserves amounting to 580.5 million tons and PT Chung Hua Overseas Mining Development in Tanah Laut, Banjar and Tapin regencies with reserves still under survey.

PT Arutmin at a trial production from its mines in the Kotabaru region, produced 60,000 tons which were later shipped to the Suralaya steam powerplant as test fuel.

If the test turns out to be successful, Gusti Hasan Aman said coal mining prospects will be bright for South Kalimantan, mainly with Suralaya steam powerplant as consumer.

/9274

CSO: 4200/730

USE OF DOMESTIC COAL FOR SURALAYA POWER PLANT PLANNED

Jakarta BUSINESS NEWS in English 10 Jul 87 p 9

[Text] In connection with the news item on the need for coal to operate the Suralaya thermal power station in West Java published in the bulletin No 4518 dated June 19, 1987, the public relations bureau of the Mines and Energy Department gives explanation as follows:

The Indonesian Government is currently endeavouring to fulfill the need for coal to operate the Suralaya thermal power station in West Java by receiving coal supplies only from coal mines found in various parts of the country, such as South Sumatra (Bukit Asam) and South and East Kalimantan.

For the purpose, a burning test using coal from Senakin, South Kalimantan, is currently underway at the Suralaya power plant. The test uses 60,000 tons of coal provided by PT Arutmin Indonesia is expected to finish this month.

If the coal from Senakin is suitable for the generation of electricity at the Suralaya plant, the state electricity company PLN and the coal mine public corporation Perum Tambang Batubara will negotiate the price of the coal.

Six months after PLN and Perum Tambang Batubara reach agreement on the coal price, PT Arutmin Indonesia can send the first coal supply to the Suralaya power plant, which is located near by Merak, West Java. If the supply of coal from PT Arutmin is inadequate, the need of the plant for the additional supply of this coal can be fulfilled from PT Kaltim Prima Coal in East Kalimantan, with coal specification the same as coal from Bukit Asam.

If the burning test indicates that coal from PT Arutmin is not suitable for the power plant, PLN will use coal from PT Kaltim Prima Coal and PT Utah Indonesia in East Kalimantan to fuel the plant.

The government is determined to use coal from local coal mines to the optimum to avoid coal imports. The exploration of coal deposits in Kalimantan generally shows positive results. It is not true, therefore, that the Indonesian Government will import 900,000 tons of coal in 1987, 400,000 tons in 1988, 350,000 tons in 1989 and 200,000 tons in 1990.



The construction of the railroad linking Tanjung Enim in South Sumatra and Tarahan in Bandar Lampung which will serve coal transport of coal from Bukit Asam to Suralaya is expected to be entirely completed in April next year. The railway transport of coal from Tanjung Enim to Tarahan is expected to reach an average of 2,462,000 tons/year, and the coal transport capacity is projected to increase to 2,995,000 tons/year in 1989. The Tarahan port will be able to serve the shipment of 2,400,000 tons of coal in 1989.

The transport capacity vessels which specially serve the shipment of coal from the Kertapati port, Palembang, to Suralaya is around 360,000 tons/year.

The need of the Suralaya thermal power station for coal is estimated at 2,200,000 tons in 1987, 2,400,000 tons in 1988 and 3,700,000 tons in 1989.

/9274

CSO: 4200/730

**PRESS ASSOCIATIONS CONCERNED ABOUT BANNING OF PRIORITAS**

Jakarta ANTARA NEWS BULLETIN in English 5 Jul 87 pp A4, A5

[Text] Jakarta, 5 Jul (ANTARA)--The Newspaper Publishers Union (SPS) and the Association of Indonesian Journalists, both expressing their concern over the revocation of Prioritas daily's license recently, admitted that the Indonesian press was still in the process of consolidation, a press release said Friday.

Since it is in the process of consolidation, it added the SPS and FWI appeal to all national press leaders particularly the editors in chief to always highly appreciate the ideal of national press struggle.

The SPS and FWI joint statement signed by prominent press leaders including Jacob Oetama, Zulharmans, Tribuana Said and Mohammad Chudori, also called for more creativity to uphold the principles of a healthy, free and responsible press.

The fledgling Prioritas morning newspaper was banned by the authorities Tuesday with the charges of publishing cynical, tendencious and insinuating reports not based on the fact.

The SPS and FWI hoped the Prioritas staff would remain responsive to the aspiration of the nation and state, and of the national press.

"We are all aware of the challenge and ordeal that will confront us in the national struggle as well as the effort to consolidate the national press institution," it said.

The SPS and FWI hoped the government would promote its policy to more enhance the development of national publishers by stepping up their functions, duty and responsibility under the existing law.

/9274

CSO: 4200/730

NU LEADER ON NEW POLITICAL ORDER

Jakarta KOMPAS in Indonesian 6 Jun 87 pp 1, 8

[Text] The 1987 general election was a sharp dividing line between the old and the new political systems in Indonesia. The old political system has been left behind, and the new system is like a train that has left the station and cannot be called back. The Nahdlatul Ulama Muslim Scholars Organization (NU) has only one choice—to go along (hitch a ride). If it does not, it will be forced to walk alongside the tracks.

This was the statement made by K H Achmad Siddiq, Idul Fitri Party general consultative chairman of the NU, at the East Java NU members' Idul Fitri Party held in Surabaya on Thursday 4 June. Present were Maj Gen Syaiful Sulun, commander of Military Region V/Brawijaya, and prominent figures from GOLKAR [Functional Groups Party], the PPP [United Development Party] and the PDI [Indonesian Democracy Party].

The Islamic Community's Aspirations

Achmad Siddiq, 61 years old, suggested that the 1987 general election was different from previous elections due to the appearance of the three parties symbolized by the star, the banyan tree and the wild buffalo. These parties appear to be the same; they are based on the same principles and have no special characteristic principles. Their only differences are in their programs.

"With the 1987 general election the New Order [Soeharto regime] political system and the growth of PANCASILA Five Principles of the Nation democracy have become more stable," said Achmad Siddiq, adding that within PANCASILA democracy there cannot be any sharpening of social categories based on primordial emotional ties such as ethnic group, religion, and race, which are exclusive and confrontational. PANCASILA democracy does not recognize oppositions, the majority or the minority in gathering votes. The emphasis is on a sense of community.

Differences in ethnic group, religion and race can be maintained as characteristics of a pluralistic Indonesian society, but they cannot be allowed to destroy Indonesia's unity and oneness. Thank God, he said, these problems and ideological differences were not turned into issues in the

1987 general election. Candidates for the DPR [Parliament] from the three parties are no longer expressing the views of their group alone but rather have to appear, in every way, as representatives of the entire people. They have to fight for the aspirations of a pluralistic Indonesian society.

It must be understood that the aspirations of the Islamic community are inseparable from the aspirations of Indonesian society as a whole. "Some people have asked me in which direction the aspirations of the Islamic community are being channeled. I ask in turn: the aspirations of which Islamic community, those in the Islamic mass organizations and the Islamic party or those in ABRI Republic of Indonesia Armed Forces, excluding the government?," said Achmad Siddiq, known as a person who smiles a lot.

#### Reformulation

Achmad Siddiq said that the most significant political change today is the reformulation of the idea that the Islamic community's exclusive and formal involvement has been gotten rid of. This does not mean that the aspirations of the Islamic community have been lost, but rather they have been maintained in a substantial and essential way.

The basic answer is that the aspirations of the Islamic community are the same as the aspirations of the Indonesian people. Islam, which has existed since the 7th century, has taken part in the formation of Indonesian culture and politics. It has taken part in the unification of Indonesian ethnic groups and in the birth of the declaration of independence.

There were two motives behind the opposition to the colonialists—Islam and nationalism; for example, the Sarekat Islam Islamic League (SI) had a policy of noncooperation and an Islamic motivation, and the PNI (Indonesian Nationalist Party) had a policy of noncooperation and a nationalistic motivation. These two groups vied with each other in opposing the Dutch colonialists. In the end, they joined voices in the declaration of independence.

Achman Siddiq, the father of 13 children, emphasized that a state based on PANCASILA is legitimate. This was proved by the agreement reached by NU Islamic scholars on 22 October 1945 defending a country whose laws are mandatory for every individual, both male and female.

"Islam and nationalism are one and the same," he stressed. He added that since the declaration of independence there should not have been any cliques and groups. But, finally, there were clashes, and it became worse when the PKI [Indonesian Communist Party] took advantage of and profited from those differences. "This is the history which must be passed down, not just the dust of that history."

In connection with the general election, the Indonesian people must leave behind those things which are the "dust of the general election" such as "deflating" the PPP. It is time to learn how to dig out its lessons. "We often only remember those things which smell of dust," he said laughing.



## A Process of Integration

Achmad Siddiq, head of the Ash-Shiddiqi religious school in Jember, said that since it was decided that the members of the Islamic mass organizations, not just the NU, should be allowed to channel their political aspirations into the three parties, the Islamic community's integration into the larger Indonesian community has been rolling along.

Granting people the freedom of choice is a lesson in politics, which allows political maturity and freedom. People do have the right, however, to ask for an edict or for guidance.

The audience laughed when he said, "At the 1984 Situbondo party congress I imagined that the NU would split into at least three parts at this election. When it really happened, I wasn't surprised. If there is such a split, just think of it as name calling among friends or as a bad dream."

## Three Sets

Siddiq again warned that there is a more serious postelection challenge facing the NU, i.e. to grasp the new political system, new outlook and new perceptions and to emphasize the slogan: accomodation, selectivity and integration.

Accomodation means grasping people's aspirations and seeing the reality around us bravely and accurately. We must be able to read other peoples' thoughts. We have our principles but we must be flexible and astute in relations with others. Selectivity means selecting everything but only taking what is useful and not in opposition to religious and moral values or to the general interest. Integration means uniting with the interests of society, the people and the state. "We inspire this Idul Fitri Party with the spirit of reuniting Indonesia's religious and national communities," said Siddiq.

At the end of his talk he said that there are three sets of leaders in Indonesia, the government, the Islamic scholars and the intelligensia. Among the intelligensia there are the intellectuals, heads of magazines and newspapers, leaders of student and youth organizations and journalists. "Reporters not only take notes but also form public opinion."

The role of these three groups must be strengthened. Relations between the three groups must be stabilized so they can support and stabilize each other. If the three groups are steady, we do not have to be afraid that modernization, technology and new knowledge will destroy religious and moral values. These three groups are the supporting pillars of Indonesia's future.

9846/12951  
CSO: 4213/91

**NEED FOR PPP-NU RECONCILIATION DISMISSED**

Jakarta PELITA in Indonesian 10 Jun 87 pp 1, 9

[Text] The view or opinion [of a certain scholar] that there should be a reconciliation between the NU [Muslim Scholars Organization] and the PPP [United Development Party] is considered a worrisome intellectual throwback which could threaten the formation of a new political structure. From another point of view, the leaders of the PPP think that the opinion expressed by that political observer "shows a lack of precise understanding of the PPP, is rash and is possibly on the orders of a sponsor".

These statements were made in separate interviews by, respectively, Drs H. B. T. Achda, secretary of the PPP [United Development Faction] in the DPR-RI [Republic of Indonesia Parliament], and by Drs Mardinsyah, secretary general of the PP's DPP [Central Executive Committee], in connection with the opinion expressed by the political observer Drs Hotman Siahaan about the possibilities of and obstacles to a reconciliation between the PPP and the NU.

H. B. T. Achda said that if that reconciliation comes about, not only is it contrary to the intent of the membership section of Law No 3 of 1985 about the political parties and GOLKAR Functional Groups Party and contrary to Law No 8 of 1985 about mass organizations, but also in a broad way it would prevent the formation of a quality structure.

Such a structure does not rely on a traditional, much less an atavistic, system of social forces. "Don't we want to create a party system with a national viewpoint, not one based on ethnic, religious, racial or other atavistic categories?" said the PPP's secretary in the DPR-Ri.

Drs Hotman M. Siahaan, a political observer, believes that NU-PPP reconciliation will come about because the NU perceives a Muslim community solidarity and the PPP is suffering a leadership crisis. From another point of view that reconciliation will be difficult to bring about because of rather large obstacles from within the NU and because people who are already established in the PPP are afraid that a reconciliation will destroy their position.

Achda told reporters yesterday that the problem does not lie in the obstacles mentioned above but rather in the basic idea of an NU-PPP reconciliation, a worrisome throwback in ways of thinking.

Achda, a young PPP figure, thinks that the long-standing crisis in the PPP cannot be overcome through a PPP-NU reconciliation. Let the NU be devoted in the field of religion; the PPP must grow as a political force with a national outlook.

#### A Basic Change

Achda said that the PPP crisis can only be overcome if PPP leaders are bold enough to change the attitudes and divisions which until now have been overemphasized. We must realize, he said, that party improvements and reforms cannot be carried out by one faction alone but must be done by everyone working together.

He explained that until this time one group has been bold enough to put forward the idea of the PPP as a party with a completely national ideology, but that the other group is seen as controlling the party.

#### Irrelevant

Meanwhile, Drs Mardinsyah, secretary general of the PPP's DPP, told PELITA that "there are no problems between the PPP and the NU. The NU is no different from the other Islamic organizations which have merged to form the PPP."

Mardinsyah stressed that a reconciliation is irrelevant. The NU has returned to the area of Islamic missionary activities and NU members' political aspirations are being channeled through the PPP. "There is a historical connection among the Islamic organizations which combined to form the PPP on 5 January 1973," he affirmed.

In response to the comments made by Drs Hotman Siahaan, the political observer who talked about a reconciliation between the NU and the PPP and who suggested names of people who would be ideal as PPP leaders, Mardinsyah explained that that political observer did not know anything precise about the PPP. "Before making any comments, he should know about the PPP's laws and by-laws. He shouldn't just make comments. I hope that Drs Hotman Siahaan will read and PPP's leadership off the top of his head" he said.

#### A Sponsor

Mardinsyah's fear is that Hotman's rash suggestion of names of people to be PPP leaders is at the orders of a sponsor. "As a political observer he should first understand the nature of the PPP. Isn't it true that PPP leaders have come up the existing leadership ladder? People can't just jump up to leadership positions. Maybe he hasn't studied or read about this first," he said in a flat and cold tone of voice.

9846/12951  
CSO: 4213/91

## BRIEFS

**SELF-SUFFICIENCY IN RICE**—Drs A. Hakim Nasution, SE Master of Economics , chairman of the North Sumatra BAPPEDA Provincial Development Planning Board , said that if production figures are compared to needs, at the end of 1986 his province was self-sufficient in rice. In a recent press conference held at the Data Room of North Sumatra's governor's office the chairman of BAPPEDA said that the production of unhusked rice in the 1986 planting season had reached 1,520 tons, while the 9.35 million inhabitants of North Sumatra needed only 1,513 tons. Nasution said that even though North Sumatran production had exceeded its needs, efforts were still being made to obtain rice from other provinces because production pockets were far from areas of need and it was hard to distribute the rice evenly. He did not explain in detail the factors which have allowed North Sumatra to become self-sufficient in rice. He only pointed out that continuing efforts are being made to increase production, for example building a dam at Bah Bolon for the regular irrigation of 12,000 hectares of ricefields. One source of funds for the construction of the dam, now at the stage of seeking bids, is Australian government aid. Nasution did not state the value of this project because it is still in process. [Text] [Jakarta ANGKATAN BERSENJATA in Indonesian 6 Jun 87 p 9] 9846/12951

**MISQUOTATION REGRETS**—Governor of East Timor Mario Viegas Carascalao said that even though security had not been restored 100 percent in East Timor, the wheels of government were running smoothly and peacefully. The governor made this statement Saturday afternoon 6 June at the Ministry of Home Affairs immediately after attending a meeting of the All-Indonesian Election Committee. "We can work in safety and without disturbance," said the governor. "There are no more problems; we can go anywhere we want in East Timor." Carascalao told reporters that he very much regretted that Portuguese newspaper had twisted what he said when interviewed by their reporters. "During the general election I gave a written interview to Portuguese reporters," said the governor, without mentioning the names of the newspapers involved. For example, in answer to a question as to whether international organizations are present in East Timor the governor responded, "They are--UNICEF and others," but the Portuguese newspapers said that according to the governor there are no international organizations in East Timor. The governor said that after he had received complete information on what was in the Portuguese newspapers he would send the true contents of the interview to the president and prime minister of Portugal so that they would be aware that the Portuguese newspapers had twisted his written remarks. [Text] [Jakarta MERDEKA in Indonesian 8 Jun 87 pp 1, 11] 9846/12951



**LEGAL AID INSTITUTE CHIEF RESIGNS**--T. Mulya Lubis, S.H. [Master of Laws], L.L.M. [Master of Legal Letters], chairman of the Executive Board of the Legal Aid Institute (LBH), resigned from the executive board of the Institute. Abdul Hakim G. Nusantara, S.H., was chosen as his successor. At the LBH's Board of Trustee's meeting held on Thursday 4 June G.H.S. Lumban Tobing, S.H., was chosen as chairman of the Board of Trustees, replacing the former chairman Suardi Tasrif, S.H. T. Mulya Lubis, S.H., L.L.M., explained that when he was the chairman of the Institute he worked as hard as he could in the face of many challenges, even though the Institute always had a minimum of funding and manpower. [Text] [Jakarta MERDEKA in Indonesian 8 Jun 87 p 2] 9846/12951

**BULOG RICE PROCUREMENT**--The procurement of rice, unhusked rice by the logistics board (Bulog) from February 1 to June 26, 1987 reached 1,168,736.90 tons of rice equivalent. The rice procurement during that period was handled by purchasing this food-stuff from farmers through village unit cooperatives (KUDs), non-KUD bodies and a task force. The 1,168,736.90 tons of rice equivalent Bulog procured in that period comprised 11,759.21 tons of unhusked rice equivalent to 7,643.49 rice and 1,161,093.41 tons of rice. Bulog's rice stock collected in that period consisted of 835,849.61 tons from Java and 332,887.28 tons from various areas outside Java. East Java ranked first in providing rice/unhusked rice for Bulog's food stock in that period, followed by Central Java, West Java and South Sulawesi. [Text] [Jakarta BUSINESS NEWS in English 3 Jul 87 p 7] /9274

**TRANSMIGRATION TO CENTRAL KALIMANTAN**--Palangka Raya, 4 Jul (ANTARA)--A total of 39,735 families consisting of 163,749 lives have been resettled in several transmigration sites in Central Kalimantan since the first five years national development plan (Pelita I) to the third year of the current Pelita IV, it was disclosed here Friday. Head of the Central Kalimantan office of the Transmigration Ministry Drs Heron Santoso told ANTARA that most of the new settlers came from Java and Madura, and the rest were from the provinces of Bali, West and East Nusa Tenggara. According to him, there are still some 9,800 houses in several transmigration sites that have not been occupied. Therefore, he went on, his office for the current fiscal year has set a target to resettle a total of 9,886 families to fill up the houses. [Text] [Jakarta ANTARA NEWS BULLETIN in English 4 Jul 87 p A7] /9274

**BUDGET AMENDMENT BILL PASSED**--All factions in the House of People's Representatives (DPR) have agreed to pass bills on the addition and revision of the 1986/87 State Budget and on the calculation of the State Budget for fiscal 1983/84 and 1984/85. The spokesman of the Karya Pembangunan faction, Drs H. Muhammad Murni, stated at a plenary session of parliament here recently that with the passing of the bill on the addition and revision of the 1986/87 State Budget, the budget for 1986/87 would increase to Rp 21,891.3 billion, an increase of about 2.2% over the amount previously projected but showing a decline of about 4% compared with the budget set for 1985/86. [Text] [Jakarta BUSINESS NEWS in English 10 Jul 87 p 4] /9274

**NEW IRISH AMBASSADOR**--President Suharto received the credentials of the new Irish Ambassador to Indonesia James Anthony Sharkey at a ceremony at Jakarta's Merdeka Palace on 4 July. [Summary] [Jakarta KOMPAS in Indonesian 6 Jul 87 p 12 BK] /8309

**VIETNAMESE TEAM ON TRANSMIGRATION**—Transmigration Minister Martono received a Vietnamese team studying transmigration program at his office in Jakarta on 3 July. The minister explained that population was one of Indonesia's problems and to solve the problem. Indonesia is implementing transmigration programs aimed at improving people's welfare. [Summary] [Jakarta International Service in English 0800 GMT 4 Jul 87] /8309

**JAPANESE SOFT LOAN**—Foreign Minister Mokhtar Kusumaatmaja and the Japanese Ambassador to Indonesia have signed and exchanged diplomatic notes on Japanese aid to Indonesia. Under the diplomatic notes, Japan will extend a soft loan amounting to 154 billion rupiah to finance 73 projects in Indonesia. This loan is part of a package of aid under which Japan will provide Indonesia with some 997 billion rupiah in soft loans in 1987. [Summary] [Jakarta Domestic Service in Indonesian 1200 GMT 11 Jul 87 BK] /8309

CSO: 4200/713

**VONADE REPORTS ATTACK ON SEV INSTALLATIONS IN KAMPOT**

**BK040158 (Clandestine) Voice of the National Army of Democratic Kampuchea in  
Cambodian 2315 GMT 3 Jul 87**

**[From the "Daily Report From Various Battlefields" feature]**

**[Excerpt] Kampot Battlefield:** On 26 June, our National Army cooperated with local and patriotic Cambodian soldiers to attack and dismantle Vietnamese administrative networks in Phnum Leav Commune and to destroy the new Vietnamese port east of Kep in Kompong Trach District (Kampot Province).

After a 30-minute battle, we killed five, including two commune officials, and wounded four Vietnamese soldiers. We destroyed 19 150-horsepower motorboats, 10 35-horsepower boats, 30 pumps, a big generator, 2 motorcycles, 15 bicycles, 5 barrels of gasoline and diesel, paddy and rice supplies consisting of 155 sacks of paddy and 35 sacks of rice, 8 barracks, and some war materiel; seized an AK, 70 rounds of AK ammunition, 5 cartridge pouches, 5 rucksacks, 15 sacks of rice, 35 pairs of shoes, and some war materiel; and liberated 3 villages: Ampoe, Phnum Lek Buon, and Phnum Pong; and freed many people rounded up for forced labor.

On 22 June, our National army ambushed a Vietnamese company along Route 13 near the Phnum Sva Thleak area, killing two and wounding two. We destroyed a B-40 and some war materiel. In sum, on the Kampot battlefield, we killed or wounded 13 Vietnamese enemy soldiers.

/12232

CSO: 4200/703

## VOICE--600 SERV SOLDIERS IN KOMPONG CHAM DESERT

HK080516 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 7 Jul 87

["News commentary:" "600 Vietnamese Soldiers the Hanoi Authorities Sent to the Kompong Cham Battlefield Deserted and Ran Home"]

[Text] On 27 June, the Vietnamese authorities conscripted and armed 600 students from southern Vietnam and sent them to fight on the battlefield of aggression in Cambodian. However, immediately after arriving in Kompong Cham town, the new conscripts fled helter-skelter and ran back to Vietnam. The reason was that they did not agree to take up arms and serve the aggressive policy of the Hanoi leadership.

The above-mentioned flight shows the dread of the aggressive Vietnamese soldiers who are very wary of our DK National Army's guerrilla war. Not only the veteran Vietnamese soldiers who have been in Cambodia for a long time, but even newcomers are afraid of our guerrillas and have been deserting one after another. Moreover, it shows that the Vietnamese people and youths oppose the Hanoi authorities' policy of aggression and expansion in Cambodia. They refuse to die and ignominiously leave their homes in Cambodia as soldiers of aggression at a time when their parents, wives, and children are suffering miserably from hunger in Vietnam. For this reason, hundreds of Vietnamese soldiers have deserted and run home, causing the Vietnamese aggressors to become acutely short of manpower and encounter greater difficulties. They are heading inescapably toward a final, shameful defeat.

/12232

CSO: 4200/703



## BRIEFS

**PHNOM PENH BATTLE ACTION**--Phnom Penh City battlefield: On 14 June, our national armymen lobbed grenades at the Vietnamese near Chanka Mon in Phnom Penh City, killing one and wounding another. On 23 June, the Vietnamese ran over our land mine near the military headquarters in Phnom Penh. One of them was killed and three were wounded. On 23 June, the Vietnamese ran over our mine south of Phea Chas market in Phnom Penh; one was killed and two were wounded. On 26 June, our national armymen attacked the Vietnamese at Russei Kev in Phnom Penh, killing 3, wounding some others, and destroying 10 barracks. [From the "Daily Report From Various Battlefields" feature] [Excerpt] [(Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodia 2315 GMT 4 Jun 87 HK] /12232

**PHNOM PENH GRENADE ATTACKS**--Phnom Penh battlefield: On 23 June, our national army, cooperating with the people and patriotic Cambodian soldiers, lobbed grenades at Vietnamese soldiers in Russei Kev War in Phnom Penh, killing one and destroying six houses. On 25 June, our national army cooperated with the people and patriotic Cambodian soldiers and lobbed grenades on Vietnamese soldiers south of Soriya movie hall, killing a Vietnamese soldier. [From the "Daily Report From Various Battlefields" feature] [Excerpt] [(Clandestine) 2315 GMT 30 Jun 87 HK] /12232

**MUTINY IN SIEM REAP**--On 27 June, five patriotic Cambodian soldiers posted at Angkor Thom in Siem Reap Province, mutinied, killing nine and wounding seven Vietnamese enemy soldiers. They also destroyed a B-40, two AK's, and two shelters before fleeing to join our National Army taking along their weapons and a map. The reason is because the Vietnamese enemy despised these compatriots and forced them to work day and night. [Text] [(Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodia 2315 GMT 3 Jul 87 HK] /12232

**SNV BATTALION ROUTED**--On 11 June, our National Army ambushed and routed a Vietnamese battalion coming from Stoeng Snguot to try to oppose us at Tuol Kroan Village on north Phnom Penh battlefield. Upon arriving at Khal Damrei Village, we attacked and killed 25, including a company commander, and wounded 18 Vietnamese soldiers, for a total of 43 casualties. We destroyed three AK's, a B-40, and some war materiel. [Text] [(Clandestine) Voice of Democratic Kampuchea in Cambodia 2330 GMT 2 Jul 87 HK] /12232

**SOLDIERS, RECRUITS FLEE**--Between 29 June and 2 July, 120 Vietnamese soldiers posted in Kroch Chhma District of Kompong Cham Province deserted their ranks

and fled back to Vietnam. On 27 June, 600 Vietnamese students recruited, armed and sent from southern Vietnam to fight on battlefield of aggression against Cambodia fled in disarray back to Vietnam upon arriving in Kompong Som City. This is because they did not want to fight and die while serving the Hanoi leaders' aggressive policy. [Text] [(Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 5 Jul 87 BK] /12232

**PHNOM PENH BATTLES**--Phnom Penh City battlefield: on 21 June, our National Army in cooperation with the local people lobbed grenades at the Vietnamese at the head of the Chruoy Changva Bridge in Phnom Penh, killing four, including a Vietnamese lieutenant, and wounding three. On 25 June, our National Army in cooperation with local people lobbed grenades at the Vietnamese at Chhba Aspeou in Phnom Penh, killing two, wounding another, and destroying a guard post. [From the "Daily Report From Various Battlefields" feature] [Excerpt] [(Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 6 Jul 87 BK] /12232

CSO: 4200/703

## BRIEFS

**AGRICULTURE MINISTRY REPORT**—Phnom Penh, 30 May (SPK)—According to the Agriculture Ministry's statistics, as of 21 May Cambodian peasants had harvested over 101,000 hectares of dry season rice, or more than 78 percent of the total cultivated area, with an average yield of 2.41 metric tons per hectare. Along with the harvest of dry season rice, they have started planting rainy season rice. Kompong Chhnang is in the lead with 2,285 hectares followed by Kompong Cham and Pursat with 1,27 and 1,450 hectares, respectively. Accordingly to the same statistics, Cambodia has since the beginning of this year produced 92,816 cubic meters of timber of the annual plan of 150,000; this represents an increase of more than 8,000 cubic meters compared with the same period last year; 41,000 cubic meters were due to state forest exploitation and the remaining to solidarity groups. For their part, fishermen throughout the country caught 45,665 metric tons of fish with another 1,4674 metric tons coming from the sea. [Text] [Phnom Penh SPK in French 0414 GMT 30 May 87 HK] /12232

**NATIONWIDE PADDY SALES**—By 20 June, peasants throughout the country had sold more than 298,000 metric tons of paddy to the state. This is over 75 percent of the plan. This included 212,923 metric tons of sold paddy, 54,011 metric tons of patriotic contribution paddy, and 27,448 metric tons of paddy paid for the loan of farm tools and chemical fertilizer. [Excerpt] [Phnom Penh Domestic Service in Cambodian 0430 GMT 25 June 87 HK] /12232

**NEW AMBASSADOR TO CUBA**—Phnom Penh, 27 June (SPK)—At a meeting in Havana with Ros Kong, the new PRK ambassador to Cuba, the vice chairman of the Cuban Council of State, Rafael Rodriguez, reaffirmed his country's support for statements issued by the Indochinese countries' conferences and the PRK good will to search for a political solution to the Cambodian problem. [Excerpt] [Phnom Penh in French 0408 GMT 27 Jun 87 HK] /12232

**RETURNEES IN KOMPONG CHAM**—During the 1st half of 1987, Kompong Cham Province persuaded 181 misled persons to return to the fold. The returnees were 63 Sereika soldiers and 118 Pol Pot soldiers. They brought along 103 assorted weapons and a quantity of war materiel. [Excerpt] [Phnom Penh Domestic Service in Cambodian 0430 GMT 24 Jun 87 HK] /12232

**LAND TILLED BY TRACTORS**—Phnom Penh 27 May (SPK)—From the end of April to mid-May, the tractor operators helped the peasants throughout the country till more than 41,300 hectares of land for the rainy-season rice growing campaign,

thus bringing the total area that has been tilled so far to more than 78,700 hectares. These figures exceeded by some 10,000 hectares those of the same period of the previous year. Taking the lead was Kompong Thom Province completing more than 61 percent of its plan, followed by Pursat and Svay Rieng with 54 and more than 50 percent respectively. [Text] [Phnom Penh SP in French 0423 GMT 27 May 87 BK] /12232

**ARMY ACTIVITIES IN KOMPONG THOM**--In May, armed forces in Stoung District, Kompong Thom Province, launched 19 operations against the enemy, putting 37 out of action and seizing 2 weapons and 7 shells. At the same time, the district's proselytizing committee received 12 misled persons who brought along a weapon, 8 rounds of ammunition, 3 sets of uniforms, and a helmet. [Excerpt] [Phnom Penh Domestic Service in Cambodian 2300 GMT 11 Jun 87 BK] /12232

**GREETINGS TO GER'S STOPH**--Phnom Penh, 8 Jul (SPK)--Hun Sen, chairman of the Council of ministers of the PRK, has sent warm greetings to Willi Stoph, chairman of the Council of Ministers of the GER on the occasion of his 73rd birthday. The message substantially reads: "Your efforts in the implementation of the decisions taken by the 11th Congress of the Socialist Unity Party of Germany contribute not only to the consolidation of advanced socialism in the GER but also to the development of the relations of friendship and cooperation between our two countries and to the cause of peace and socialism." [Text] [Phnom Penh SPK in French 0404 GMT 8 Jul 87 BK] /12232

**SPK REPORTS THAI VIOLATIONS**--Phnom Penh, 27 June (SPK)--During the week ending 18 June, Thai L-19's and F-5's made 18 reconnaissance flights over the tri-border junction, Preah Vihear Temple, and other border areas adjoining Thailand. More serious still, on 11 June a Thai F-5 jet penetrated up to 5 km inside Cambodian airspace. For its part, Thai artillery fired 2,700 shells on some sectors inside Cambodian territory to cover the infiltration of Cambodian reactionaries to sabotage people's peaceful life. In the same week, Cambodian Armed Forces, in cooperation with Vietnamese volunteers, conducted many mopping-up operations against Cambodian reactionaries who infiltrated from Thailand. They put 184 out of action and seized 74 weapons and a quantity of war materiel. [Text] [Phnom Penh SPK in French 0404 GMT 27 Jun 87 BK] /12232

CSO: 4200/703



## BRIEFS

MOZAMBIQUE NATIONAL DAY GREETINGS--Vientiane, June (KPL)--Phoumi Vongvichit, acting president of the Lao PDR, has conveyed a message to Joaquim Alberto Chissano greeting the 12th National Day of the People's Republic of Mozambique. The message said: On behalf of the Lao Government and people, I would like to extend to your excellency and to the Mozambican people my warm greetings and best wishes of happiness, prosperity and success in their cause of national safeguarding and socialist building. May the fraternal friendship and militant solidarity between our two countries and peoples be further developed. On the same occasion, Phoun Sipaseut, vice-chairman of the Council of Ministers and minister for foreign affairs, has sent his warm greetings to Pascoal Mocumbi, minister for foreign affairs of Mozambique. [Text] [Vientiane KPL in English 0905 GMT 25 Jun 87 HK] /12232

CSO: 4200/703

## JAPANESE INVESTMENTS UP 284 PERCENT

Penang THE STAR in English 20 Jun 87 p 3

[Text]

JAPANESE investments in Malaysia rose 284 per cent in six years to \$2,873 million in 1985 from \$549 million in 1979, according to a review on Japan-Malaysia investment and trade trends.

The review compiled by the joint committee on trade and investment of the Malaysia-Japan Economic Association (Majeca) and Japan-Malaysia Economic Association (Jameca) was done in conjunction with their 18th anniversary conference which ended in Tokyo on Tuesday.

It said in terms of average growth, Japanese investments in Malaysia increase 25 per cent per annum.

These investments are concentrated in petroleum and coal industries (25.2 per cent), non-metallic mineral products (22.2),

textiles and textile products (13.5), transport equipment (8.4), electrical and electronic products (6.9), chemical and chemical products (6.6), basic metal products (3.6) wood and wood products (3.5) and food manufacturing (2.9).

The major investments are in cement manufacturing, the national car project, motorcycle engine and seamless pipes projects.

The review said the combined investment of these groups totalled \$1,939 million or 67.4 per cent.

The balance are in fabricated metal products, hotel and tourist industry, machinery manufacturing, plastic products, paper, printing and publishing, professional scientific and measuring equipment and rubber products.

It also said Japanese companies' paid-up capital increased from \$373 million in 1979 to \$731 million in 1985, an increase of 12.4 per cent or 12.4 per cent per annum.

Loans increased from \$167 million in 1979 to \$1,322 million in 1985, an increase of nearly eight times.

In terms of fixed assets, Japa-

nese firms rank first with fixed assets valued at over \$1,400 million or 23 per cent of the total fixed assets in the manufacturing sector.

However in terms of equity capital, they came second after Singapore with equity capital amounting to \$752.8 million or 18.3 per cent after Singapore's \$1,280.9 million or 29.2 per cent.

Japanese investments in Malaysia have created about 61,000 jobs or 15 per cent of the total jobs in the manufacturing sector from 1977 to 1985.

On bilateral trade, it said exports from Malaysia increased three-fold to 89,272 million in 1985 from \$3,061 million in 1977.

Imports, on the other hand, increased 2.7 times to \$7,006 million in 1985 from \$2,613.9 million in 1977. — Bernama.

/9274

CSO: 4200/725

## CDC INVESTS IN SARAWAK FIRM

Kuala Lumpur BUSINESS TIMES in English 20 Jun 87 p 15

[Text]

THE Commonwealth Development Corporation (CDC) has invested \$15.4 million in equity and \$84 million in loans last year to Sarawak Oil Palms Sdn Bhd in Malaysia for a major extension of its plantations to the Sual area.

In a statement yesterday, its chairman Lord Kindersley (above) said the decline in commodity prices brought lower dividend, particularly in Asia and Pacific plantations, but the expanding portfolio generated a higher level of interest earnings.

For 1986, CDC made new commitments of more than \$300 million, bringing its total investments and commitment world-wide to nearly \$2.00 billion.

Of the new investment, 11 were in new projects and 16 in future financing for existing projects, said Lord Kindersley.

He said the new commitments are expected to help provide a livelihood for 128,700 smallholders, replant some 200,000 hectares of rubber

smallholdings, earn foreign exchange for host governments of at least \$616 million and assist in the planting of oil palm, tea, cocoa, hardwoods and leatherleaf fern.

## Finance

CDC is the main public sector instrument for British direct investment in developing countries, specifically in agriculture, fisheries, minerals, industry, public utilities, transport, communications, housing, hotels and building and engineering.

Its objective is to assist overseas countries in the development of their economies by providing long-term finance, project management, resources and ancillary services.

It operates in 83 countries and is represented through 17 offices world-wide.

CDC has been active in Malaysia for almost 40 years and its estimated total commitment to the country stands at \$300 million, two-thirds of which is invested in Sabah and Sarawak. — Bernama-ES

/9274

CSO: 4200/721

**OIL RESERVES TO RUN DRY IN 15 YEARS**

Kuala Lumpur BUSINESS TIMES in English 20 Jun 87 p 15

[Excerpt]

**LONDON:** At the current rate of production, Malaysia's oil reserves will run out in 15 years' time. On the other hand Malaysia has more than 100 years supply of natural gas.

The latest statistical review of world energy published by British Petroleum on Wednesday, shows that over 1986 Malaysia's oil production last year has increased by 16.1 per cent to 506,000 barrels daily.

The production since 1976 were: 166,000 (1976), 186,000 (1977), 215,000 (1978), 235,000 (1979), 275,000 (1980), 280,000 (1981), 296,000 (1982), 420,000 (1983), 440,000 (1984) and 456,000 in 1985.

According to the report, as at the end of last year, only Kuwait has oil reserves for more than 100 years followed by Saudi Arabia with 90.3 years and Abu Dhabi with over 80 years.

These proved reserves figures are generally taken to be those quantities which geological and engineering information indicate with reasonable certainty can be recovered in the future. It is also based on current level of production.

/9274  
CSOI 4200/721



**DEMOCRATIC ACTION PARTY URGES CONSTITUTION AMENDMENT**

Penang THE STAR in English 22 Jun 87 p 23

[Text]

**PENANG, Sun.** — The DAP urged the Government today to amend the constitution to make it an offence for anyone to question the country's secular state and the system of government.

Party secretary-general Lim Kh Seng, who made the call in response to recent statements for the establishment of an Islamic State, said the constitution had made it clear that no Islamic law could be imposed on non-Muslims.

"The recent calls to make the country an Islamic State have increased the fears of non-Muslims and made the danger of religious polarisation more real," he said when opening the Berapit DAP branch in Bukit Mertajam.

Mr Lim described such statements as "most unhealthy and undesirable" and they threatened the very basis of the constitution and system of government.

Speakers at the recent seminar on *Towards Making Islamic Law A Reality* organised by the Islamic Academy of the Syariah Faculty, University of Malaya, had stressed on the need for a change in parts of the constitution and various Acts "which had hindered the growth of Islamic laws," and "to pave the way for an Islamic State."

Mr Lim said any attempt to alter the fundamental principle of the constitution was to question the very basis, durability and viability of Malaysia as a multi-racial country.

## BRIEFS

**INCREASE IN COCOA OUTPUT**—Malaysia is set to rank third in world cocoa production by 1990 with the launching of a programme to promote inter-cropping of cocoa on coconut plantations and smallholdings in the country. The programme launched by the Ministry of Agriculture, would cover a total area of 132,920 ha, Berita AIM, the quarterly newsletter of the Agricultural Institute of Malaysia, said. Cocoa inter-cropping with coconut was encouraged by the Government, as research had indicated that land under coconut cultivation was suitable for cocoa. Malaysia currently ranks sixth in cocoa production after Ivory Coast, Brazil, Ghana, Nigeria and Cameroun. [Text] [Penang THE STAR in English 22 Jun 87 p 4] /9274

**COMPUTER SOFTWARE TO PRC**—Kuala Lumpur, July 2 (OANA-BERNAMA)—Malaysia-made computer software has gained a foothold in China with more than 350,000 ringgit (about US\$140,000) worth of software exported to the republic in the first half of this year, says a computer company official there Thursday. Federal Computers Services Snd Bhd Director Dr Chou Sun Chee said that China is the largest market for its software sales and it hopes to have an installation base of 15 customers in six cities there before the end of the year. Speaking at a press conference, he said there is a great potential in China for Federal Computers to expand its business because of the former's open door business policy. He said the software for personal computers, which is entirely developed by the company, is very popular in China because of its Chinese character display features. Dr Chou also said that most of its software supplied by the company, a subsidiary of Federal Flour Mills Bhd., is for PAKX interface applications. He said the company has been able to carve a niche in the Chinese hotel industry and offices where it is not only connected to a PAKX system but as well as to a hotel front office computer system, within a hotel, to do automatic telephone call charging and billing. [Excerpt] [Kuala Lumpur BERNAMA in English 1125 GMT 2 Jul 87 BK] /6662

CSO: 4200/692

PANGU LEADER ON FOREIGNERS IN COUNTRY

Port Moresby PAPUA NEW GUINEA POST COURIER in English 7 Jul 87 pp 1, 2

[Text]

PANGU stalwart Sir Pita Lus yesterday said he wanted the Foreign Affairs ministry if his party got into government.

"I want it for six months so I can fix these foreigners."

"There are far too many foreigners like Indians and Filipinos coming into the country and not leaving. Soon we are going to have a similar situation to Fiji."

Sir Pita has already asked the Chief, Michael Somare, for the ministry.

It is something personal," he said. "I fought for the independence of this country. I want it to be in the hands of Papua New Guineans, not foreigners."

Sir Pita won his Maprik seat by a landslide win, leaving nearest rival Wilson Tamba behind by 5573 votes. Sir Pita polled 10,188 votes to Mr Tamba's 4613.

He has won every election since 1964, making him the longest serving MP.

The outspoken MP visited the tallyroom yesterday in his usual safari shirt, sulu laplap, cowboy hat and the Lus trademark — the pig tusk.

He said he could step down from politics but the people wanted him to stay on. "If my numbers (of votes) go down I will go down."

MA REJECTS CHAN, PPP AS PART OF COALITION GOVERNMENT

Port Moresby PAPUA NEW GUINEA POST COURIER in English 7 Jul 87 p 1

[Text]

MELANESIAN Alliance will not accept Sir Julius Chan and his People's Progress Party as part of a coalition government led by Pangu Party leader Michael Somare.

A spokesman said Pangu and MA had an understanding. "We have complete faith that Somare has a categorical preference for a partnership with MA rather than the PPP," he said.

"PPP may well be deserting Wingti's sinking ship."

"But we know Somare will refuse to be tempted into joining Sir Julius," the spokesman added.

**Selfish**

After hinting that he might put aside political

differences in the national interest to work with Sir Julius, Mr Somare said yesterday he categorically rejected speculation that Pangu was seeking to form a governing coalition with PPP.

The decision for any political marriage rested with the Pangu executive, he said — and reiterated that the party would honor its understanding with Fr Momis.

"The sooner a new governing coalition is formed the better. Delay benefits only the money men out to get the best selfish deal," he said.

"The people have made their decision and that decision must not be undercut by rich men buying candidates behind the scenes."

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CSO: 4200/720



**SENATE TO REVIEW U.S. BASES, NUCLEAR-FREE DEBATE**

HK141303 Manila MANILA BULLETIN in English 14 Jul 87 pp 1,4

[By Gaspar Balthazar of Interco Press]

[Text] A Senate review of the Philippine-American military bases agreement is in the offing. This was indicated by Senate sources when the choice of Senator Leticia Ramos Shahani as chairman of that body's Committee on Foreign Relations was announced.

In the wake of the announcement, Senators Teofisto Guingona Jr and Joey Lina, both the "progressive bloc," told newsmen that they will move for early implementation of the constitutional provision on "freedom from nuclear weapons."

There are signs that the Senate will undertake a comprehensive review of the bases agreement. A longtime ambassador and former deputy minister of foreign affairs, Senator Shahani is amply prepared to lead such a vital foreign policy undertaking.

Informed sources expect the issue of rent and the Guingona-Lina move to be in the immediate focus of the Senate examination of the Philippine-American bases accord.

U.S. Secretary of State George Shultz categorically ruled out the payment of rental for U.S. operation of Philippine bases in a meeting with a group of Filipino legislators during his recent visit to Manila. He said that the U.S. Government would dismantle its military facilities here in the event the Philippine Government insists on the payment of rental.

Philippine Ambassador to Washington Emmanuel Pelaez, astute diplomat that he is, promptly told Secretary Schultz and stunned Filipino officials, "Let us negotiate." The ambassador pointed out that the matter of compensation is, quite appropriately, a subject of bilateral negotiations.

Schultz enunciated a lack of the U.S. negotiating position. Pelaez laid down, in turn, a principle of Philippine policy on the bases question.

Vice President and Foreign Secretary Salvador H. Laurel quipped. "A rose called by any other name smells just as sweet." While sticking to the

principle of compensation for the U.S. use of Philippine bases, Laurel would not attach too much importance to nomenclature and semantics.

It may well be said that Shultz, Pelaez, and Laurel have laid a reasonable basis for Philippine American negotiations.

The issue of rent does not arise until the scheduled review of the bases agreement in 1988, but the question raised by Senators Quingona and Lina poses an immediate problem to the Aquino administration.

The constitutional provision on "freedom from nuclear weapons" is interpreted by a big number of legislators and other officials as a sweeping and absolute ban on nuclear weapons.

If the Aquino administration subscribes to such interpretation, and undertakes to implement the constitutional provision, nuclear-powered and nuclear-equipped U.S. naval and air craft would be barred from Philippine territory.

What is not widely known, even among the supposed cognoscenti of the Aquino administration, is that the Constitutional commission passed a resolution vesting in the president the discretion to determine, "subject to national interest," exceptions to the general policy of "freedom from nuclear weapons."

Leftist and radical propaganda has, unfortunately for the administration, succeeded in creating a wide-spread impression among the people that the same constitutional provision is a sweeping and absolute ban on nuclear weapons within Philippine territory.

Exciting times in the Senate lie ahead of the news media and the gallery.

/12232

CSO: 4200/726

**ENRILE SAYS BASES 'LIKELY TO GO AFTER 1991'**

HK081110 Hong Kong AFP in English 1058 GMT 8 Jul 87

[Text] Manila, 8 July (AFP)—Right-wing opposition leader Juan Ponce Enrile Wednesday said U.S. military bases in the Philippines were likely to go after 1991 owing to the composition of the Senate and the anti-nuclear constitution.

Mr Enrile, whose proclamation as senator has been delayed by technical problems, told a news conference that he had warned an unnamed American visitor: "You better start looking for a place to relocate your bases."

Under the Philippine Constitution, Clark Air Base and Subic Naval Base, two of the largest U.S. military bases in the world, must be removed after their lease expires in 1991 unless Washington and Manila forge a new bases treaty ratified by their respective legislatures.

The Philippine Congress may further require the approval of the treaty in a national referendum.

Mr Enrile said he had told his visitor: "With the composition of the Senate, I don't think you can expect... to ratify a treaty, assuming that the Executive Department will enter into a treaty with you extending the military bases."

Furthermore, the constitution bans nuclear arms in the Philippines, although there has been no official confirmation of longstanding charges that nuclear weapons are stored in or pass through the U.S. bases.

U.S. Government policy is to neither confirm nor deny this.

Citing the requirement for two-thirds of the 24-member Senate to approve any treaty, Mr Enrile said 7 of the senators were opposed to the bases.

"Even assuming that you have a treaty you have the anti-nuclear provision which will impede the utilization of the bases," unless the government fails [to] make sure there are no nuclear arms at the bases, he said.

/12232

CEO: 4200/726

USSR LETTER ON LABOR FRONTS FOR WFTU CONFERENCE

HK161217 Manila MANILA BULLETIN in English 15 Jul 87 pp 1, 20

[By Interco Press]

[Text] The Soviet Union has taken steps to unify and mobilize its labor fronts in the Philippines evidently in preparation for the regional conference in Manila next month of the World Federation of Trade Unions (WFTU).

Like similar Soviet front organizations such as the World Peace Council, WFTU is an instrument for the promotion of the USSR's foreign policy objectives.

In Manila, the conference will focus on the removal of U.S. military facilities from the Philippines and the establishment of "nuclear-free zones" in the Asia-Pacific region.

Australian Ernie Boatman, WFTU vice president, heads the Asian and oceanic Trade Union Coordinating Committee for the Manila Confab.

In a letter to Aida Lava Dixon, daughter of dr Jesus Lava, former "supremo" of the Hukbalahap (Hukbong Mapagpalaya ng Bayan—Freedom Fighters of the Nation) and the old Moscow-oriented Philippine Communist Party, Zaouri S. Tsikolis, first secretary of the Embassy of the Union of Soviet Socialist Republics in Manila, said "On behalf of the Soviet Government, workers, and citizens, we wish to re-emphasize our endorsement of your diligent and consistent efforts in supporting the main Regional World Federation of trade Unions Movements--TUPAS [Trade Unions of the Philippines and Allied Services], the National Association of Trade Unions (NATU), and Katipunan." [Pambansang katipunan ng Manggagawa ng Pilipino--National Union of Philippine Workers].

The Soviet diplomat stated, "Following his recent trip to the Philippines, Comrade Davidov confirmed the extent of this militant and painstaking trade union work and its effectiveness in countering the pernicious effects on the Philippine economy of the greedy transnational corporations."

In an apparent effort to allay fears and misgivings on the part of the Philippine WFTU affiliates about soviet assistance to the Kilusang Mayo Uno [KMU] (1 May Movement), the letter said, "We also wish to assure you that his suggestions about broadening our current ties and material support to the Kilusang Mayo Uno should not necessarily be interpreted only a criticism



of your efforts up to now. ...We believe you would agree that absence of official membership in the WFTU by the KMU should not be an impediment to closer working relationships between a progressive trade union movement in the Philippines, especially in view of the large and aggressive membership of the KMU and its effectiveness in countering the transnational corporations which have historically plundered the wealth of the Philippines."

Tsikolia declared, "Our dealing thus far with the KMU persuade us that they are an effective force for change in the Philippines and are worthy recipients of increased support from the Soviet Government and other peace-loving, anti-imperialist nations."

The Soviet embassy official underscored Davidov's "surprise over the contrast between the cohesive, well-directed efforts of the KMU and the period [as published] discord and competition among the TUPAS and NATU elements which have occasionally detracted from our overall goals in organizing Philippine workers."

"The Soviet Government" Tsikolia said, "would naturally expect to consult closely with the Partido Komunista ng Pilipinas [Philippine Communist Party] to achieve a closer integration of progressive trade union organizations in the Philippines."

The KMU is at present engaged in strikes and other activities designed to immobilize firms dedicated to food production. The WFTU conference in Manila is expected to coincide with the start of the review in the Philippine Congress of Philippine-American relations.

Sources in the National Democratic Front, political arm of the CPP, have expressed the opinion that the deliberations at the WFTU meeting would have a significant effect on the attitude of congress on the bases issue and other questions in Philippine-American relations.

Foreign diplomatic observers have put forward the view that Soviet propaganda will benefit from the WFTU gathering in Manila.

/12232

CSO: 4200/726

KEIDANREN DISCUSSES CONDITION OF INVESTMENT

OMOS1145 Tokyo KYODO in English 1130 GMT 8 Jul 87

[Text] Manila, 8 July KYODO--Japanese businessmen will not suspend investments in the Philippines if the new congress probes alleged payoffs to government officials during the rule of deposed President Ferdinand Marcos, the head of an influential Japanese business mission said Wednesday.

"If I am asked whether the Japanese investors will change their attitude (if the probe resumes), my answer is no," Knaus Haruna, chairman of the Committee on Economic Cooperation of Japan's Federation of Economic Organizations (Keidanren), told a news conference.

"It is regrettable that what might be called kickbacks allegations have emerged," Haruna said through an interpreter. The Keidanren mission head is chairman of the giant trading firm Marubeni, which is known for its close ties with Marcos during his 20-year rule.

He also said that if political violence and labor unrest continues under the 17-month-old government of President Corason Aquino "then naturally, it will not be conducive to doing business here."

"It's all a matter of relatively," he said pointing out that the mission had been assured by government officials that the situation is "gradually improving."

But in a meeting Tuesday with top military officials, Aquino had expressed disappointment at the inability of the authorities to solve major crimes involving leftists and right-wing extremists.

"It is really getting to be embarrassing," she was quoted by presidential spokesman Teodoro Benigno as telling army generals at the presidential palace.

The 16-man delegation met with Aquino, Vice President Salvador Laurel, and Trade and Industry Secretary Jose Concepcion after a 3-day visit. It was leaving Manila for Singapore Wednesday afternoon.

Two top officials of the Presidential Commission on good government, former Chairman Jovito Salonga and commission member Ruel Daza, had resigned from the problem body to run in the 11 May congressional polls.

Salonga, who topped the race for the 24-member Senate, was selected as upper house president while daza is expected to be chosen as one of the leaders of the 250-member House of Representatives.

Asked if the companies tagged by the "commission" would cooperate in the investigation if congress decides to reopen the case, Haruna said, "that is not a question for this mission to respond to."

At the onset of the commission probe, the now defunct business day newspaper had quoted Daza as having told a Japanese Diet member that Marubeni, one of Japan's largest trading firms, and six other companies were among those that had paid rebates to Marcos.

Created under the "freedom constitution," the commission ceases to exist on 17 August as stipulated by the new constitution. Commission officials say it will start filing criminal charges against Marcos beginning 15 July.

/12232

CSO: 4200/726

**ZUMEL SAYS REBELS 'JUSTIFIED' IN SEEKING FOREIGN AID**

HK280416 Hong Kong AFP in English 0414 GMT 28 Jun 87

[Text] Manila, June 28 (AFP)—A communist rebel has said the insurgents may be "justified," in seeking foreign support if the United States continues to step up its aid to the government, a newspaper reported Sunday.

Antonio Zumel, former peace negotiator of the National Democratic Front (NDF) rebel alliance, said the communists were willing to reopen talks with President Corazon Aquino's government if "the right conditions are there" but added that "at this point, I don't see any bright prospect."

In an interview with the MANILA STANDARD newspaper, Mr. Zumel said more military aid from the United States to the Philippines "leaves us with just one alternative: We have to escalate and intensify our revolutionary efforts."

"As the U.S. steps up its assistance to the (Armed Forces of the Philippines), we would be justified in tapping friends abroad," he said.

Earlier this month the United States delivered 10 helicopters and Mrs Aquino said Saturday she was assured "that every effort will be made to answer our needs" in combatting the 18-year-old insurgency.

The NDF—which groups the Communist Party of the Philippines and its armed wing the New People Army (NPA) with 10 other underground groups—has received "more political support than material support from abroad" and relies mainly on weapons seized from government troops, Mr Zumel said.

Mr. Zumel denied any knowledge of the June 21 ambush that killed eight supporters of former rebel priest Father Conrado Balweg, who quit the NPA last year to form his own tribal guerrilla group which is now negotiating with the government.

Mr. Zumel accused Father Balweg of using "divisive tactics" in the Cordillera mountain region and denounced him for his alleged "capitulation to the state."

But "I don't know if these would have actuated the movement into taking such drastic action against him," he added.

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CSO: 4200/712



**MISUARI SAID SEEKING HELP OF SULU WARLORDS**

HK280610 Manila PHILIPPINE DAILY INQUIRER in English 27 Jun 87 pp 1, 8

[By Cesar Espino and Julsumir I. Jannaral]

[Text] The chief of the Moro National Liberation Front has been asking political warlords in Sulu to support, possibly with arms, the full-scale war the secessionist group has threatened to launch against the Aquino government following the collapse of the Mindanao peace talks, the INQUIRER source said yesterday.

In Quezon City, meanwhile, a ranking official of the Bangsamoro Islamic Party [Moro Come Land Islamic Party] (BMIP) yesterday told of the presence in metro Manila of MNLF "mujahidin" (freedom fighters) awaiting word from their leaders on when to attack selected targets.

Reliable sources said Nur Misuari—who is reportedly holed up somewhere in Barangay Pasil, Indanan, Sulu—has been communicating with the three most prominent Sulu clans—the Loongs, the Tans and the Kulawis—known to have private armies.

The source did not say how the heads of the three families responded to Misuari's call.

Misuari's alleged moves were confirmed by Col. Eduardo Cabanlig, chief of the 2d Marine brigade stationed in Jolo.

He said no less than a "very close family member" of the Loongs had told him that Misuari communicated with them "for at least four times," either personally or through a courier.

Datu Firdausi Abbas, chairman of the Executive Council of the BMIP, told a press conference at the Asian Institute of Tourism that the MNLF is ready for war if the Aquino government does not agree to a full implementation of the 1976 Tripoli agreement which stipulated that 13 provinces of regions 9 and 12 would be automatically made an autonomous region.

The Muslims earlier demanded autonomy for all 23 provinces in the two regions, but later settled for 13 as stated in the Tripoli agreement when the government insisted that only 10 provinces should be covered by the autonomous region, and after a plebiscite. The peace talks ended following a stalemate on this.

It was also learned that Bangsamoro "freedom fighters" have signed a "unity pact" with the MNLF, MNLF-Reformist Group and the Moro Islamic Liberation Front in preparation for "zero hour," their new term for a "total war."

Military sources said the MNLF, true to Misuari's threat after the collapse of the peace talks, is now massing its forces near Central Mindanao and surrounding provinces.

Reports the other day, however, said the MNLF has apparently accepted a government invitation to revive the peace talks at a place to be decided later. The reports said Misuari was keen on having the talks succeed.

But the military sources insisted that the MNLF is preparing for attacks in the event the new talks fail.

Brig. Gen. Cesar Tapia, overall military commander in the South, gave assurances that the Armed Forces can neutralize the MNLF.

Tapia said Misuari has sent forces "as far as Cagayan de oro only to show their presence, but they do not have a sizable fighting force in that area."

Cabanlig said the MNLF cannot yet launch a full-scale war even if it wanted to because of various constraints. For instance, he said, "most of the MNLF fighters who fought in the 1970s have already sided with the government. Their latest recruits are either out-of-school youths or unemployed males, whose ages range from 18 to 26."

Cabanlig said the MNLF is having difficulty sending its armed troops to Central Mindanao because most of them do not want to fight outside of Sulu.

Cabanlig cited a report about 178 Muslim rebels trained in Kalingalang Kalsuan town, several hundred kilometers Northeast of Jolo, who recently returned their firearms because they did not want to serve outside Sulu.

Cabanlig said it is common among the Muslims to refuse to fight in places outside their hometown because of a religious custom.

This was why the MNLF leadership adopted a precondition that only those who would service in other parts of Mindanao are to be issued firearms, Cabanlig said.

On Misuari's threat "to bring the war to the Christian areas," military officials in Sulu said many MNLF members are not willing to disrupt the peace in the province, their homebase.

This was virtually confirmed by a member of Christian residents who told the INQUIRER they do not feel threatened at all by the talk about violence breaking out.

Acting Jolo mayor Habib Aminkadra Abubaker himself said that while every house in town has at least one firearm, "there are no troops here."

But the constraints of the MNLF in launching their attacks, notwithstanding, the military said it had monitored the movement of MNLF troops out of Jolo and other Sulu towns.

"What is left in Jolo now would be less than 25 percent of their fighting forces," said Tapia. "From the north, Misuari has sent a sizable force in Agusan Sur and Surigao Sur. Probably 200 to 300 of his people are there now."

Tapia also said Misuari has sent some Joloanos in the coastal towns of Lanao Sur, meaning Sultan Gumander up to Malabang Banabagan.

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CSO: 4200/712

**EDITORIAL WARNS ABOUT LIBYAN, SOVIET INTERVENTION**

HK270922 Manila MANILA BULLETIN in English 27 Jun 87 p 6

[Editorial: "Foreign Intervention"]

[Text] Persistent reports of "foreign intervention" in the counter-insurgency effort of the Philippine Government have been found by competent military and intelligence authorities to have no basis in fact.

The government has adopted, moreover, a strict policy against such intervention, with Malacanang and the Foreign Office scrupulously heaving to the position that the insurgency problem is an exclusively internal affair. The military has, for its part, made it abundantly clear that it can by itself cope with the problem.

Strangely enough, reports on such matters as a Soviet offer of support to the New People's Army and Libyan shipments of arms to the Moro National Liberation Front, are taken almost casually by people in and outside the government who usually are alert and vehement in denouncing other forms of foreign intervention.

This outlandish attitude presents a problem for the government. Is the government supposed to follow a double standard vis-a-vis foreign intervention? Is intervention permissible for those who do not share our ideology and way of life, and verboten for our friends and allies?

Intervention of any form and from whatever source in Philippine domestic affairs is unacceptable and condemnable. This should be the unvarying position of the people and the nation.

The reports regarding the USSR and Libya, it should be stressed, are undenied. They have, in fact, been confirmed by qualified spokesmen of the dissident groups. These reports speak of unfriendly acts and flagrant violations of international law. What do authorities propose to do about such transgressions?

Official nonchalance should not be the attitude toward a clear threat to national security.

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CSO: 4200/712



UN ENDS REFUGEE ROLE IN SARAH, PROBLEMS SEEN FOR MANILA

Kuala Lumpur NEW STRAITS TIMES in English 11 Jun 87 p 11

[Text]

MANILA, Wed. — The possible repatriation of some 200,000 Filipino refugees in Sabah will pose serious economic problems to the Philippine Government, a high-ranking Foreign Ministry official said.

Under-Secretary Jose Ignacio told reporters yesterday the Government would have to find jobs for all the refugees who will be relocated from Sabah, should the Malaysian Government order their repatriation.

The United Nations High Commissioner for Refugees (UNHCR) in Sabah, which is funding the upkeep of the 120,000 Filipino refugees, is reportedly "winding up" its activities this month.

This development may mean the "definite end of the funding", Ignacio said, adding that the Malaysian Government may either agree to shoulder the full expenses for the refugees or demand their repatriation.

In KUALA LUMPUR today, the Philippines Embassy said political refugees in Sabah and the neighbouring areas who fled the Philippines after committing treason, conspiracy and espionage could still apply for amnesty.

The embassy said in a statement that they could obtain amnesty application forms at centres set up in Jolo, Sulu and other provinces and cities in the southern Philippines.

Those who wished to apply for amnesty must do so in person and on their own free will within six months of Feb 28 this year.

Amnesty for the political refugees may be granted under Proclamation No 80 and the implementing guidelines issued by the National Reconciliation and Development Council on the orders of President Corason Aquino.

It may be granted for crimes ranging from treason to possession of explosives.

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**MALACANANG 'LUKEWARM' ON RAMOS' DETENTION PROPOSAL**

HK161155 Manila PHILIPPINE DAILY INQUIRER in English 15 Jul 87 pp 1, 9

[By Vic Agustin]

[Text] Malacanang yesterday appeared luke-warm to the proposal of Armed Forces Chief of Staff General Fidel V. Ramos that the military be allowed to detain suspected subversives beyond the present 18-hour limit.

Deputy Executive Secretary Catalino Macaraeg Jr told reporters the proposal of Ramos would violate the 1987 Constitution.

"I do not know how much longer you could stretch the present detention period provided for in the Revised Penal Code without colliding with the provisions of the constitution," Macaraeg, who served as deputy justice minister under President Marcos, said.

Macaraeg said that even if the privilege of the writ of habeas corpus were suspended, the Constitution would only allow up to a maximum of 3 days the detention of rebellion and subversion suspects without charges.

Under Executive Order No 187 which President Aquino signed 5 June, the penalty for those seeking to overthrow the government was reduced to a maximum jail term of 12 years. Rebellion and subversion, considered capital offenses during the Marcos regime that warrant indefinite detention, have become bailable.

One way to accommodate the Ramos proposal without violating the constitutional safeguards, Macaraeg said, is to increase the penalty for rebellion and subversions to life imprisonment.

Under Section 13 of the constitution's Bill of Rights, suspects accused of crimes punishable by reclusion perpetual, or life imprisonment, may not be allowed bail specially "when evidence of guilt is strong."

Shortly after Ms Aquino's order was issued, however, Ramos submitted a proposal asking for "tougher penalties" and longer detention periods for suspected subversives, saying the measures were needed to give moral teeth to the anti-insurgency campaign.

Macaraeg, who according to Press Secretary Teodoro Benigno was invited to the briefing "for the purpose of throwing light on the case of Kumander [commander] Bilog (Rodolfo Salas)," said EO [Executive Order] 187 was not issued by Ms Aquino to allow Salas, the alleged leader of the Communist Party of the Philippines, to avail himself of temporary freedom.

It was really intended to restore the penalty provided for before martial law, adding that the Marcos-imposed penalties have been criticized as "repressive."

Salas, under detention in Camp Crame since his arrest last September, was allowed last week by the Manila regional trial court to post bail.

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CSO: 4200/726

**COLUMNIST VIEWS CIVILIAN EROSION OF MILITARY POWER**

HK011327 Manila THE MANILA CHRONICLE in English 30 Jun 87 pp 1, 6

["Analysis" column by Amando Doronila: "Power Struggle Between Civil and Military Authorities"]

[Text] In yesterday's CHRONICLE, our investigative reporter Sheila Coronel wrote about the power struggle in Cagayan Province between civilian political leaders and military authorities amid the eclipse of the one-time intimidating influence of the former defense minister, Juan Ponce Enrile.

The Cagayan power struggle between the Dupaya family and their network of municipal officials, on the one hand, and the provincial commander, Lt. Col. Rodolfo Aguinaldo, on the other, is just part of the national upheaval in the relationship between civilian and military authorities provoked by the shift of the balance of power in favor of the civilians.

With the installation of civilian political institutions—the latest of which is the new congress—gaining momentum, civilian officials are reasserting the powers they had lost during the Marcos dictatorship. In the process, they are pushing out from the podiums in the provinces the military commanders who, during the Marcos rule, acted as proconsuls exercising both martial and civilian functions.

The balance of power is shifting on both national and provincial levels. But in some of the provinces, local military authorities are out of step with the pace of alignment by the national military leadership in acknowledging the supremacy of the Aquino government over the military.

The conflict in Cebu between the civilians led by Senator-elect John Osmena and Brig. Gen. Edgardo Abenina, Constabulary-national Police commander for Central Visayas, over responsibility for the peace and order, is a replication of the Cagayan conflict. A similar conflict between Pampanga Gov. Bren Guiao and the combative PC [Philippine Constabulary] commander in Region 3, Brig. Gen. Eugenio Ocampo, over the latter's charges that fraud was committed in the last congressional election, has been resolved in favor of Mr. Guiao, General Ocampo has been shifted to Region 5 (Bicol).



In all the regions where conflict has erupted, the issue has always been raised by the military protagonists that civilian authorities were standing in the way of the counterinsurgency campaign. General Abenina has said this about Mr. Osmena; General Ocampo has alleged that Governor Guiao was [word indistinct] the communists; and Colonel Aguinaldo, a protege of Mr. Enrile, is at odds with Congressman-elect Tito Dupaya and his wife, Gov. Teresa Dupaya, over Aguinaldo's tough approach against the guerrillas.

The counterinsurgency issue disguises the more fundamental question that in the course of the readjustment of the relationship between the civilian authorities and the military, the soldiers are gradually losing power which they exercised during the Marcos years. In those years the local civil authorities were eclipsed by the provincial commanders.

The provincial commanders possessed not only the means of coercion; they also dispensed political favors previously distributed by the civilian authorities.

The political control of the provinces of course had its windfalls. It made the provincial commanders the arbiters in the distribution of benefits flowing from the protection of gambling and vice. This brings money and this extra-legal income accounts for the fact that the rivalry between civilian authorities and military officers is often times very fierce.

The reassignment of General Ocampo from Central Luzon to the Bicol region is seen as a victory for Governor Guiao and his civilian allies. Also, Mr Guiao is close to President Aquino—he was an aide to former Senator Benigno Aquino. This element certainly helped Mr. Guiao in pushing out General Ocampo.

In all provinces today, civilian officials have taken heart from the continuing reestablishment of civilian political institutions. In particular the reveal of congress gives the civilians a national base from which to radiate their power in curbing the military. Congress has the power to review and even reduce military appropriations, investigate military abuses and scrutinize military abuses and scrutinize promotions of officers starting with the rank of colonel.

As the civilian political institutions are strengthened, local officials gain the platform upon which to press their claim to power. This results in the clash between civilian and military authorities. The defiance of the Abeninas, the Aguinaldos and the Ocampos epitomizes the rearguard action by the provincial commanders whose powers have been eroded by the solvents of democratic revival.

In the [word indistinct] of Colonel Aguinaldo, his base is even weaker now because he can no longer depend upon a patron in the Defense Department. The political resurrection of the Dupayas--after having been in limbo during the Marcos years in which Mr. Enrile's sway over the Cagayan Valley was at its peak--followed the removal of Mr. Enrile from his power base. The Cagayan change in political fortunes is a good example of the circulation of elites in Filipino politics.

**OCAMPO DISMISSES CHARGE OF BEING AGENT FOR GOVERNMENT**

HK280856 Manila THE MANILA TIMES in English 27 Jun 87 pp 1, 8

[By Marvyn Benaning]

[Text] Former NDF [National Democratic Front] negotiator Satur Ocampo laughed off yesterday accusations that he worked as a "deep penetration agent [DPA] of the National Intelligence and Security Agency [NISA] in his college days."

Ocampo, who was last seen publicly after the massacre of 19 farmers at the foot of the Mandiola Bridge last January, claimed that "this so-called Ka [comrade] Totoy, whoever he is, might have been into some kind of a trance that he seems to forget the difference between fact and fiction."

Ka Totoy, supposedly a Communist Party turncoat who is hiding from both the military and the revolutionary underground, alleged that Ocampo, when he was still a Lyceum firebrand, was actually a NISA agent, along with Antonio Feria."

Ocampo stressed that "the NISA was not even organized when we were students at the Lyceum and members of the Kabataang Makabayan [KM—Nationalist Youth] then the leading organization in college during our days."

He recalled that it was Antonio Feria, a military intelligence man who worked as a musician at night as an alleged self-supporting student, was confirmed to have been an agent before he went underground.

Friends of Ocampo who were familiar with Feria also told the MANILA TIMES that Feria blew his cover after a time and was promptly isolated by the Kabataang Makabayan chapter at the Lyceum.

He was used as witness against Ocampo, Jose Ma. Sison and 51 others in the rebellion case filed in 1971 by the military against known student activists and alleged leaders of the CPP [Communist Party of the Philippines] and NPA.

Feria appeared several times to relate to the courts how the KM in Lyceum operated and how alleged CPP members were recruiting elements for the NPA and the underground organization in the countryside.

Ocampo said "this Ka Totoy is a very convenient fictive figure which the military and even the Central Intelligence Agency are using. It may not be far-fetched to think that some journalists and editors might be falling for the intrigue being sown by these reactionary forces which are hell-bent on destroying not only me but the revolutionary general."

Ocampo also said he suspected this Ka Totoy was another creation of the psywar experts of the AFP [Armed Forces of the Philippines] and its foreign masters--the Americans.

"How come this Ka Totoy is being escorted by armed guards provided by PC [Philippine Constabulary] intelligence? Why does he speak out only to THE MANILA TIMES and not to other newspapers? he asked.

It is very evident, he said, that "the intent of Ka Totoy is to hit the revolutionary forces with all sorts of canard, like the ones propagated by Ross Munro several years back."

In a related development, NDF leaders from Mindanao said the so-called mass purges three years ago led to the death of only 48 persons and not thousands as Ka Totoy would wish to propagate.

"The hunt got the deep penetration agents started as a limited process which went haywire when the very same DPAS were the ones issuing execution orders," NDF-Mindanao spokesman Jorge Madlos said.

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## PHILIPPINES

### NDF CALLS FOR 'REVOLUTIONARY GOVERNMENT'

HK261325 Quezon City MALAYA in English 26 Jun 87 pp 1, 8

[Excerpt] The National Democratic Front [NDF] has responded to President Aquino's call for a "people's war" against them with a call of their own for the setting up of a Provisional Revolutionary Government.

In a paid advertisement yesterday in this paper, the NDF said the people should cast away illusions that elections would solve their problems and called on "all patriotic and freedom-loving Filipinos to rally behind the NDF and the emerging new democratic government."

Denouncing the May 11 elections as elite-dominated, the NDF said: "Let us do away with the dream that the ruling elite will offer us a new democratic Philippines on a silver platter."

Meanwhile, in separate statements, two left-leaning groups yesterday criticized President Aquino's call for a "people's war" against the rebels as this would only heighten the ongoing conflict between government and rebel forces.

"This policy of war, which was already made clear by the Aquino administration after the breakdown of ceasefire talks, has only emboldened forces from the incorrigible right to commit mayhem against the people and cause-oriented groups," Partido ng Bayan [PNB--People's Party] chairman Fidel Agcaoili said.

Bagong Alyansang Makabayan [Bayan-New Nationalist Alliance] leader Loretta Rosales said, "Unable to resolve such basic issues as land reform and U.S. economic domination, the Aquino government is now implementing the foreign power's (U.S.'s) scheme of total war."

Rosales also assailed Manila Archbishop Jaime Cardinal Sin for "legitimizing" the military's intensified counter-insurgency program.

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**NPA DENIES ABDUCTING FORMER NDF SPOKESMAN**

HK261305 Manila THE MANILA CHRONICLE in English 26 Jun 87 p 7

[Text] The New People's Army (NPA) yesterday denied reports that its guerrillas had kidnapped former National Democratic Front (NDF) spokesman Ramon Manuel from the Department of Social Welfare and Development (DSWD) compound in Lingayen, Pangasinan last Wednesday.

It said the military was behind his abduction.

Manuel, alias Ka [Comrade] Elmo and Zandro, was kidnapped 2:30 a.m. Wednesday. He had been granted amnesty by President Aquino under the rebel rehabilitation program only last Friday. He had just started working at the DSWD.

The NPA provincial operational command for Pangasinan said that charges that the NPA could have abducted Manuel were "a big lie."

The allegation, said NPA spokesman 'Ka Joe,' is "an attempt to cover up the military's role in this crime." No one else but the "fascist military," Ka Joe said, would have a motive to abduct Manuel.

Col. Romeo Odi, PC [Philippine Constabulary] Pangasinan commander, said Manuel had just availed himself of the amnesty granted to rebels and this could have angered his former comrades in the NPA.

Odi said Manuel's abduction could be no different from the attempts on the life of BERNARDO Buscayno, and renegade priest Conrado Balweg, who recently survived separate ambushes.

He said a certain pattern was established in these incidents which may have tended to show that any NPA who like to turn his back and cooperate with the government is not safe.

The kidnapping, the NPA spokesman said, was done by vigilantes and bandits protected by the military.

The NPA noted the "intense militarization and black propaganda against the revolutionary movement by the local government and the military in the province in the past two months." Ka Joe said that blaming the NPA for the Manuel kidnapping is part of this smear campaign.

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CSO: 4200/712

**MILITARY SAYS 'MASSIVE DESERTION' HITS DAVAO DEL NORTE REBELS**

HK030636 Davao City MINDANAO TIMES in English 18-25 Jun 87 pp 1, 6

[Text] Davao City—The New People's Army lost 94 villages, over 300 of its regulars and half the communist massbase in Davao del Norte this year, according to provincial commander Lt. Col. Nelson Estares.

Citing as sources captured documents and Froilan Maurial, former No 2 man of the communist regional party committee, Estares said "massive desertion has hit rebel ranks."

As a result, rebels under an inefficient, low-quality cadre leadership are now plagued by severe morale problems. Only 120 armed communist fighters remain out of an original 592, he said.

"The NPA has not been able to launch any liquidation missions in poblaciones [towns]," he said.

Estaras recalled that it was in Davao del Norte where the NPA organized its first Main Regular Guerrilla Unit (MRGU) in Mindanao and launched experimental company-size operations. The National Democratic Front was also first organized in Davao del Norte.

He credited the TRIPLE KKK, an Alsa-Masa [People's Uprising] type of vigilante organization in Davao del Norte, for the communist setbacks.

He also noted that there is now closer coordination between the Army and the Philippine Constabulary.

"An increasing number of civilians are now willing to take up arms against the New People's Army," he said. "In evacuation areas, for example, residents have become a good intelligence source."

"Finally, he said, government agencies and local executives are now working with the military as never before."

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CSO: 4200/712

**NPA OFFENSIVE EXPECTED, TACTICS SHIFT SEEN**

**Military Official Predicts Offensive**

HK040754 Hong Kong AFP in English 0642 GMT 4 July 87

[Text] Manila, July 4 (AFP)--Communist rebels look set to mount large-scale attacks in major cities in the Philippines despite suffering a decline in strength and influence, a military official said here Saturday.

Former armed forces intelligence chief Brigadier General Antonio Samonte also said the New People's Army (NPA) and its allied groups were stepping up efforts to raise firearms and other forms of material support abroad.

"There is a possible escalation" of guerrilla activities before a new congress convenes on July 27, "especially in urban centers because that is already a part of the program of the movement," he told a news conference.

Brig. Gen. Samonte said the NPA could undertake "terrorist activities" like harassment and attacks against police, soldiers and government officials in and around Manila.

Armed forces spokesman Colonel Honesto Isleta told the news conference that NPA hit squads were responsible for the murders of at least 13 police and military men out of the 20 killed in metropolitan Manila this year.

The NPA has taken credit for 23 killings in and around Manila, mostly of policemen and soldiers who it claimed were abusive.

Brig. Gen. Samonte, who now commands the military forces of the provinces south of Manila, said that "in terms of areas under their (NPA) influence, in terms of regular strength, there has been a decrease."

However the rebel arsenal has "increased somewhat" as a result of a campaign to raise arms by raiding "lighting defended police precincts and municipalities," he added.

Brig. Gen. Samonte said the NPA's armed force now numbers 23,400, a reduction of 900 guerrillas from last year's figure.

He did not cite a reason for the decline, but armed forces chief General Fidel Ramos said Friday that 1,296 NPA regulars have availed of the government's general amnesty program.

The 18-year rebellion reached its peak last year when the NPA ranks swelled to 24,300 regulars operating in 20 per cent of the country's over 41,000 rural villages.

Brig. Gen. Samonte said the NPA is engaged in efforts "to solicit all kinds of material and military support from abroad," and that the foreign section of the National Democratic Front (NDF), the leftist underground's umbrella group, was in the forefront of the campaign.

In the early 1980's, the NDF was able to smuggle about 150 AK-47 rifles into the country which were obtained from "gunrunners" in Europe, Brig. Gen. including Libya, but "so far they have not been successful," he added.

He said Jose Maria Sison, the founding chairman of the NPA's mother organization the banned Communist Party of the Philippines (CPP), could be part of the effort with his frequent visits to non-communist Asian countries, along with Australia and New Zealand.

Mr. Sison, who is currently on an Asian tour, has said he no longer has links with the CPP,

The general said he was not aware of any contacts between the CPP-NPA and Manila's communist neighbors.

#### Shift to 'All-out' Urban Assaults

HE021339 Manila MANILA BULLETIN in English 2 Jul 87 p 7

[Text] The Alex Boncayao Brigade (ABB), the urban guerrilla unit of the New People's Army (NPA), said yesterday it has changed its strategy--from limited attacks on the all-out assaults in the city.

An ABB spokesman, who requested anonymity, said that due to the varied situations in Metro Manila, the brigade's war plan was changed, and a strategy for "a total confrontation" with lawmen in the metropolis was adopted.

#### Urban 'Total War' Scenario Rejected

HE071159 Manila PHILIPPINE DAILY INQUIRER in English 7 Jul 87 p 6

[Text] Not a few eyebrows were raised when an advertisement came out in a national newspaper on June 15. It came not from an ordinary source, and readers were just not used to reading ads from illegal organizations, although a number have been published since the accession of the Aquino Government. The signer of that ad bore the name Alex Boncayao Brigade of the New People's Army.



The urban guerrillas who bear that name considered it necessary to use the establishment media to promote the purpose of their existence and operations. These guerrillas have been suspected of killing a number of army and police officers. Police records show that 35 officers and men of the AFP [Armed Forces of the Philippines] and local police have been killed by "Sparrow Units" of the NPA. In the succeeding police counteraction, 13 Sparrows have been killed over the past month.

Is the NPA knocking on the doors of Manila? Is the war already here?

Information from the underground and an analysis of the NPA doctrine of people's war indicate the NPA is not about to instigate a scorched-earth policy of "people's war" in the city.

As revolutionaries in the mold of Mao Zedong and the Vietnamese General Vo Nguyen Giap, the NPA is not about to transform the major population centers into main battlegrounds in the current war. Here in the city, no major military operations or decisive battles will be mounted. Contrary to the view that the NPA will bring the war to the city, the major population centers are only secondary theaters where selective and specific military operations will be waged.

The Manila-based Alex Boncayao Brigade adheres to the theory of people's war whose main strategy calls for surrounding the cities from the countryside. This means that until parity in both arms and men with the AFP is achieved, the communist rebels will continue to rely on the countryside as the site of their abuscades and raids. Correspondingly, the NPA will have to rely on peasants as the source of recruits for the rebel army. CPP [Communist Party of the Philippines] and NPA theoreticians say it is in the backward countryside where they intend to create armed guerrilla zones before they move "wave upon wave" to the city.

Guided by the classical Maoist strategy, the CPP-led NPA had emphasized rural work since March 29, 1969, the day of its founding. Using university-bred cadres, expansion work leapfrogged from Capas, Tarlac, to the mountainous terrain of Isabella, then to other parts of the archipelago. Today, the AFP estimates that the NPA has 24,000 regulars with 12,000 high-powered arms. The National Democratic Front claims the NPA operates in 67 to 74 provinces.

What was its policy toward the city? Viewing this enclave as the center of communications and industry, the party emphasized propaganda and "strike movements." No major military operations have been planned in the population centers. Instead, an armed city partisan (ACP) unit was organized in Metro Manila in 1972 to engage in the peripheral work of intelligence gathering, training and procurement of arms.

From the first ACP to the latest Alex Boncayao Brigade, military operations have been calibrated so as not to alarm the city residents. But the basic reason is political: for a very long time the city will be well protected by the State. The NPA clearly sees the principal military camps surrounding Metro Manila as stone wall defenses to any big NPA operation.

In the current stage of people's war, the NPA does not seek the defense of territory but the destruction of Government forces. Even in the countryside, where it has bigger leeway, it does not usually mount an operation longer than 30 minutes. Much more so in the city, where AFP forces are perceived to be strongest.

In the coming months, Metro Manila will be the site of small encounters between the Sparrows and the Eagles, the counter-insurgency forces of the metropolitan police.

As the Boncayao Brigade said in its ad, it will continue its operations to "punish those who use their armed might and authority to coerce and violently attack the unarmed citizenry." These actions, however, won't mean total war in Metro Manila.

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CSO: 4200/718

**MNLF CHAIRMAN'S WIFE DIES IN PAKISTAN 3 JULY**

**Misuari Flies to Pakistan**

**HE060505** Quezon City Radyo ng Bayan in Tagalog 0330 GMT 6 Jul 87

[Text] The Moro National Liberation Front working committee confirmed the death of MNLF Chairman Nur Misuari's wife Desdemona Tan in the Islamabad General Hospital in Pakistan on Friday. Let us listen to Jojo Ismael for the details.

[Begin recording] According to a member of the MNLF working committee to the RP-MNLF Mindanao talks, Desdemona Tan Misuari, wife of MNLF chairman Nur Misuari, died in Islamabad last Friday. Mrs Misuari was seized by cardiac arrest and brought to a hospital where she succumbed two days later, according to a report from the MNLF working committee.

Earlier, Mrs Misuari was operated at the Manila Doctors' Medical Hospital in Manila and in a Davao Hospital. It was also learned that she was not fully recovered when she left for Pakistan following the collapse of the Mindanao peace talks.

Mrs Desdemona Tan Misuari, 40 years of age, was buried in Pakistan in accordance to Muslim tradition on Friday. Meanwhile, MNLF Chairman Nur Misuari was in Pakistan at the time of his wife's death.

For the Bureau of Broadcast Network News, this is Jojo Ismael reporting. [end recording]

**Government Negotiator Laments**

**HE061151** Manila PHILIPPINE DAILY INQUIRER in English 6 Jul 87 pp 1, 6

[By R. De Guzman]

[Excerpt] A key figure who helped arrange government peace talks with Muslim insurgents has died, and sources close to negotiators of both the government and the MNLF said her loss left a vacuum that will be difficult to fill.

Desdemona Tan-Misuari, the 40-year-old wife of Moro National Liberation Front Chairman Nur Misuari, died 5 a.m. Saturday in a Pakistan hospital after a week in coma.

She left husband Nur, five children and the Bangsamoro people an unfinished struggle for self-rule.

Chief government negotiator Emmanuel Palaex told the INQUIRER he learned about Ms. Misuari's death from the Philippine embassy in Islamabad. Ms. Misuari had not fully recovered from a gall bladder operation when she left the country May 8, with the collapse of the government's peace negotiations with the MNLF.

"We from the government peace panel extend our condolences to Nur Misuari and his family. We have learned to love Desdemona, and despite the differences in opinion, there developed a real friendship between us," Palaex said.

"She was a loss to the country and to the Muslim community in particular," he added.

President Aquino also reportedly sent her condolences to the Misuaris.

Government peace negotiator Norberto Gonzales, who is leaving for Pakistan today, said he will personally convey the government's condolences to Misuari.

Ms. Misuari was the intermediary between the government and the MNLF peace panels during the early days of the negotiations, and had helped arrange important meetings between government officials and her husband.

Even with the collapse of peace talks, it was said that she maintained close contact with her friends working in the government.

The MNLF chairman was said to have left the country after receiving news last week that his wife was in critical condition. But he never got to see Desdemona alive, as he arrived in Pakistan only yesterday.

It was not immediately known where Ms. Misuari is to be buried. Her family had allegedly asked that her body be brought back to Pasil, Sulu, her hometown. But one of her sisters, who resides in Islamabad, reportedly said that she would be buried there. It is a Muslim religious custom to bury their dead within 24 hours of their demise.

At Ms. Misuari's bedside when she died was Habib Mujahab Hashim, chief MNLF negotiator and close friend of Nur.

The Misuaris have been married for 13 years.

In her last interview before leaving the country, Ms. Misuari told the INQUIRER she met her husband in 1968 when the Muslims started asserting their rights for an independent south.



The MNLF chairman, then a political science instructor at the University of the Philippines, spearheaded protest against the killing of 68 Muslim-trainees in the Armed Forces, which came to be known as the Jabidah Massacre.

"Our relationship blossomed with our people's fight for a government of their own," Ms. Misuari said.

Misuari then formed the MNLF and led in engaging government troops in a bloody three-year fight, from 1973 to 1975, for secession.

Ms. Misuari, in turn, became a founding member of the Bangsa Moro Women's Organization, which rallied their women behind the Muslim separatist fighters in their bid for self-rule.

She was also considered to be a key factor in having organized the meetings between Misuari and a host of government leaders, led by Ms. Aquino.

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CSO: 4200/718

# OIC LADY MAYOR FIGHTS TRADITION IN 'WARLORD' STRONGHOLD

Manila NR. & NS. (Special Edition) in English 3-9 Jul 87 p 16

[Profile by Candy Quimpo of OIC Mayor of Cadiz City Rowena T. Guanzon: "The Girl From Warlord City"]

[Text]

**C**ADIZ CITY, Negros Occidental — She's sexy, tough-talking, single and ridiculously young to be called mayor. She lives alone, in a nipa hut on her mother's backyard surrounded by her father's fighting cocks. She keeps a .45 under her bed and knows how to use it — well. Her nipa hut is constantly aquiver with the danceable rock music she plays. She used to lawyer for a top law firm in Manila. In the mayor's office, she wears a dress cut in a peek-a-boo style that shows off the small of her back and her navel.

Rowena Guanzon, 29 years old, has taken over Cadiz City, formerly the stronghold of warlord Armando Gustilo.

Rowena Guanzon began her (relatively short) trek to politics by marching through the Cadiz crossing on the city's outer limits

into the city center to campaign for housewife Corazon Aquino. Gustilo is said to have so intimidated his political opponents that they never went beyond the Cadiz crossing during electoral campaigns. Most Gustilo adversaries campaigned on the crossing itself, working the feeble crowds who travelled the two kilometers to see their timid candidates.

Not only did Guanzon cross the forbidden crossing, she also did the unthinkable, "I had to break the myth. . . I called him a sonofabitch in public."

Now she blithely skips up the dilapidated building which houses the mayor's office in Cadiz, flounces to her desk, and summons her employees with a few peremptory beeps from her buzzer. She briskly signs papers to be signed, talks down an inefficient employee twice her age, and

sweetly keeps the office humming.

She wows her constituents with her youth, urbanity and fashion sense (wide-eyed fisherfolk on the beach have made her bathing suits, cut high at the hips, the talk of the town). She maddens her adversaries, the many Gustilo supporters left without a strong leader after Armando "Armin" Gustilo succumbed to cancer last year. She worries a few sugar planters who think she speaks too frankly for her own good.

Sample a few quotables, said over dinner:

(On her mother, who someone said had a good record as a former vice-mayor) "I am prettier."

(On her nipa hut residence) "Cory asked us to live simply. How simple can I get?"

(On attending a government group's meeting) "I don't want to attend the meeting anymore, they are so bobo, eh."

(On the governor's reform program) "Do you believe in 60-30-10 as a bloody panacea to land reform?"

(On her vice-mayor, Jane Benedicto, who split with her during the legislative elections and is said to be gearing to fight Guanzon in the local elections) "This is the only city in the country which has women for mayor and vice-mayor. *Tanga Asiloko, eh*. I had to pick her (Benedicto) for my vice-mayor. Now she's running against me."

The city she "rules" seems more a town than a city, though it boasts three theaters and is soon to have its first disco. Before Corazon Aquino ascended to the presidency, it was economically and politically dominated by Armando Gustilo, whose family has maintained its "control" of the town since mid-century. Indeed, the widest roads in town are named after this or that Gustilo, as are the schools and parks.

Rowena Guanzon delivered the "Yes" votes during the plebiscite early this year, delivered the Cory candidates to the legislature in elections last May, and intends to win the mayorship in local elections in November. Says she, "I suspect the change of date was intended for me, I would have been too young in August." Her 30th birthday falls five days after the proposed election in August. She faces opposition from her own vice-mayor, and former intimate,

Jane Benedicto. Benedicto supported a Gustilo candidate, Joseph Maranon, for house representative in the last election. Maranon lost to Guanzon-supported Manuel Puey. Benedicto allows only one comment published on her erstwhile chum-mayor, "She shouldn't try so hard, I don't read anything she says." The word war is only beginning. Kibbitzers predict the feud between Jane and Rowena will last long after the contest ends for Cadiz seats in local government.

Guanzon attributes her easy slide into politics to her mother, Elvira Villena-Guanzon, a former vice-mayor and a city board member. Elvira Guanzon was a staunch Nacionalista and still maintains strong ties with the Nacionalista-based UNIDO. The older Guanzon broke ties with former president Ferdinand Marcos a little before the 1986 snap election when political alliances became strained by changing convictions. "I was lucky my mother has been in politics for a long time. A lot of people thought that we would not be able to make it (deliver votes on warlord turf). I never doubted that we would win (with the help of Elvira Guanzon's machinery)." But when one friend insinuated that her mother should perhaps run for mayor, Rowena bristles. "Oh no, I wouldn't let her. I don't want traditional politicians!"

The only politically untested warrior left of the Gustilo clan is Vicente Gustilo, Jr. Junior Gustilo is the complete antithesis of his older brother, the titanic Armin. Junior is quiet, respectable, and widely lauded as a deeply religious man. It is believed that he will run for mayor in the coming elections. He will have his brother's political machinery to rely on.

Asked if she would go the usual way during the next election (give dule-outs left and right), Guanzon replies, "No way, man! My campaign scheme is: if you support me, make your own posters!"

But her opposition in Cadiz claims that Guanzon used the tried and true tactics of traditional politics during the legislative contests — ballot stuffing, vote buying, terrorism. Some even call her "war lady" or "Armina G." after the late warlord. Rowena makes a move of distaste, "They're all lies."

Down the corridor of the Cadiz city hall is a row of oil paintings of the town's former mayors, 24 frames of musty old men in formal suits, bow ties, crew cuts, and grimaces frozen for all time. At the end of the row, space is reserved for the later mayors of Cadiz.

When the time comes for Rowena Guanzon's portrait to go up, the 24 previous mayors on the wall, all wintry and bored, will have a lot of adjusting to do.

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CBO: 4200/700

# **AQUINO GOVERNMENT CONTINUES LOGGING CONCESSION PATRONAGE**

Newspaper THE MANILA CHRONICLE (FOCUS Supplement) in English 5 Jul 87 p 4

[Article by Sheila S. Coronel--"Guns, Coons and Trees: The Politics of Logging"]

[Tm:]

ALMOST SINCE the Republic was founded, the right to cut huge chunks of forest has been part of the spoils of politics, to be handed out to those who serve the politicians well. Timber concessions were like party favors distributed among senators, congressmen and governors or their relatives and supporters, in exchange for their allegiance and support.

Later, when martial law made them more powerful, military officers and the persons close to them were wooed with timber licenses.

"It is generally true," said Bureau of Forestry Development director Chito Serna, "that those with political connections got logging concessions."

Thus it was that in our complex social tapestry logging fortunes were entwined with political fortunes.

This fact is well illustrated by the change in fortunes that came about with the end of the Marcos era. When the new Government took over, the Presidential Commission on Good Government (PCGG) sequestered six logging companies believed to be owned by cronies of deposed President Ferdinand R. Marcos. In addition, the natural resources ministry initiated investigations into and sometimes cancelled or suspended the operations of so-called "crony concessions".

In April 1986, barely two months after the Aquino Government took over, the

PCGG sequestered four major logging companies belonging to Alfonso Lim, a businessman of Chinese descent who was closely associated with deposed President Marcos and former defense minister Juan Ponce Enrile.

The flagship of these companies is Taggit Industries, Inc., which operates a 111,545-hectare concession in northwestern Cagayan. Taggit also runs the only OSB (Oriented Structural Board) plant in the country. Other sequestered Lim companies are the Southern Plywood Corp., the Pamplung Redwood Veneer, Inc. and the Western Cagayan Lumber, Inc., all of which operate in Northern Luzon.

The Taggit group provides a classic study of how the fickle turn of the wheel of political fortune can affect a logging business.

Lim was already running a thriving timber business when then Congressman Ferdinand Marcos decided to make a bid for a Senate seat. Marcos sought the help of businessmen who operate in the north, among them Lim, who would turn out to be one of Marcos' steadfast supporters.

When Enrique Bako, former head of the Japanese Reparations Commission, died, Marcos rewarded Lim's loyalty by awarding Taggit a lucrative management contract that allowed the company to run three Bako wood firms operating in Cagayan. These included the Veterans



Woodwork, Inc., the Sierra Madre Wood Industries, Inc. and the Tropical Wood Industries, Inc., all of which Balao acquired with the influence wielded by his position as Republican Commission chairman.

When the Aquino Government took over, however, management of all these three firms was returned to the Balao family although Balao himself was believed to have been fronting for Marcos in his time.

But perhaps the most glaring example of "cronyism" in the wood industry was that of Callophol Resources Corp. (CRC) which was set up by Marcos' cousin-in-law, Hernando Diño. Presidential connections enabled CRC to operate a huge concession of almost 200,000 hectares in the Cordillera even if the constitutional limit on logging concessions was pegged at 100,000 hectares.

CRC operations greatly threatened the forests as well as the continued existence of the Tingguian, an upland tribe that inhabited that portion of the Cordillera.

Thus, the company not only stirred financial controversy, it also stoked the fires of rebellion in the Cordillera and pushed political troublemaker, like Tingguian priest Claudio Balag, into the embrace of New People's Army guerrillas.

AS THE Aquino Government moved to cut down the economic base of those closely associated with Marcos, the natural resources ministry investigated about a dozen logging firms with Marcos connections, including two owned by the former President's sister, Fortuna Barba.

These companies were the Federated Timber and Development Corp. and the Philippine Integrated Timber, Inc. The licenses of both these firms have already been cancelled. The ministry also looked into alleged illegal logging conducted by Barba in Aurora province, which is a log ban area.

Also investigated was Twin Peaks Realty Development Corp. which operates a 26,000-hectare concession in Quezon province. It is believed to be owned by Juan Terven, Marcos' former executive secretary. Similarly investigated was La Villa Resources Corp. which operates a concession of almost 60,000 hectares in Cagayan. It is run by Chinese businessmen

believed to be linked to high-ranking military officers.

Forestry officials admit that just about every other logging company violates one provision or other of the forestry code. Usually, however, connections with well-placed government or military officials have exempted many companies from thorough investigation and penalization by forestry authorities.

Moreover, timber licenses were not always given to the best and most difficult wood producers, but mostly to those who had the best connections.

Forestry regulations have therefore historically been difficult to implement fully as they were always subject more to political rather than ecological considerations.

Thus, when the Aquino Government was threatened by a mutinous military faction in late 1986, an important general's loyalty to the fledgling government was won partly by giving him logging rights to a portion of a military forest reserve.

At the same time, the MNR helped undercut the power of Eraldo, who was believed to be the leader of the military mutiny, by cancelling the timber licenses of Tagat, Inc. and Western Cagayan Lumber, two of the logging companies owned by Alfonso Lim.

Meanwhile, as Eraldo's economic and political base is being eroded, his long-time political rivals in Cagayan are back in business.

Congressman-elect Tito Dupaya and his wife Tereza, now Cagayan governor, themselves own a logging concession which was not in operation during the 14 years they were out of power. The Dupayas and Eraldo have a long-standing feud over political ascendancy in Cagayan. When Eraldo rose to power as martial law administrator, he cut down the Dupayas not only politically but also, the couple alleged, financially.

"I had a big timber concession in Lallo, Gattaran and Gonzaga (all in Cagayan)," Tito Dupaya recounted. "I could easily make P20 million a year but whenever my logging operations went inside the concession, PC soldiers stopped them."

"The Eraldo people threatened they would burn down our bulldozers if the concession 'operated,'" added Tereza

Dupaya. "So we had to sell our house in Damarinas Village. We really suffered. My husband resorted to drinking because he could not stand the humiliation."

Apart from Dupaya, other newly elected legislators are also involved in logging. The family of Leonardo Pazon of Cagayan owns several logging firms in northern Luzon. Lasso del Norte's Ali Dimaporo also operates a large concession which he said was given by former Senate President Eulogio Rodriguez, in cognizance of the Muslim congressman's support in the old House of Representatives. Senator-elect Emilio M. Iñarra is logging circles to be linked to Dapena Timber, Inc. and the San Jose Timber Corp. which operates a concession of almost 50,000 hectares in a rebel stronghold in Northern Samar.

It remains to be seen whether the newly elected lawmakers will break the mold of the past or abide by the time-honored tradition of parceling out the nation's patrimony for short-term political ends. **ce**

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CSO: 4200/700

## NPA 'TAXES,' AFP 'EXTORTION' DETAILED IN TIMBER INDUSTRY

Manila THE MANILA CHRONICLE (FOCUS Supplement) in English 5 Jul 87 p 5

[Article by Sheila S. Coronel: "The Forests as Battleground"]

[Text]

TUGUEGARAO, CAGAYAN — The forests here provide the setting for a war fought with a ferocity unknown in parts where the conflict is less harsh. But the tree-clad mountains are not only the stage for the conflict, they also provide a life-support system that sustains both rebels and soldiers in a mutually taxing and cruel war.

To the New People's Army guerrillas in the mountains, the forests are not only haven and home but also the major source of sustenance. "Revolutionary taxes" collected from logging companies keep the rebellion alive. Sympathetic forest-dwellers, mostly tribesmen and impoverished shifting cultivators deprived of land in the plains, provide the guerrillas sanctuary. And the roads that loggers build deep into the mountains and the trucks they use to haul wood are also the transport system for the men and supplies of the rebel army.

But the forests are also the soldiers' ally. Logging companies, especially the bigger ones, pay for the upkeep of troops that maintain detachments in timber concessions. A major part of military operations, specially in areas within or around timber concessions, is shouldered by logging firms. Some loggers also cooperate in intelligence-gathering and providing communication and transport facilities for attacking troops. And the roads that loggers build provide easier access to guerrilla strongholds deep in the mountains.

Thus, a forestry consultant says: "There is a very delicate and dynamic balance between the timber industry, the military, the New People's Army and the rural poor."

And to the war rages, with the battling armies mutually reliant on the forests that cover the Sierra Madre mountains east of the Cagayan River and to the River's west, the Cordillera range bordering the province of Kalinga-Apayao. Though no longer as virgin and as verdant, these forests remain among the richest reserves

in the entire island of Luzon. Forgotten and unlamented, they are also the incidental casualties in this raging war.

AS THE LOGGING season here comes to an end with the onset of the rains, many in the timber business lament that it has been a short and unproductive season. Military operations have been intense in the past months, stopping logging in many areas and decreasing overall production.

The NPA, too, has taken its toll. Statements attributed to the guerrilla army say that in the whole of northern Luzon in 1987, it has burned down P200 million worth of logging equipment, including 31 bulldozers and 44 logging trucks. Burnings are usually done by the rebels to companies which refuse to pay NPA "taxes" or those which, the insurgents say, extremely oppress their workers and inflict much harm on the environment.

But this year, these actions are part of "Operation Lapet," the local Ilang tribe's word for "forbidden." "Lapet" is ostensibly an effort by the NPA to help conserve the remaining forests. Thus, the guerrillas forbade logging operations in certain areas and burned down the trucks and bulldozers of operators who violated this ban.

In most areas, the rebels allowed only small-scale logging, usually done by small entrepreneurs or upland settlers. In others, the NPA drastically raised "taxes", thus discouraging a number of loggers from continuing their operations.

In northern Cagayan, a logging contractor estimates that logging operations have gone down by as much as 80 per cent this season. The logging season usually begins in March and ends with the onset of the rains in about October when the logging roads become impassable. In many places, however, logging operations have stopped by mid-year.

It is widely acknowledged here that just about every logging operator pays taxes to the guerrillas. The loss

exception is the Taggat group, composed of five logging companies which are headed by Alfonso Lim, a businessman of Chinese descent, who was launched his own private little war with the rebels.

Through the years, the rebels in Northern Luzon have evolved a sophisticated taxation scheme for logging companies. In Cagayan, logging operators say that the going rate can go as high as 50 centavos per board foot of harvested wood.

A contractor usually goes through a series of meetings with NPA representatives. As a rule, most contractors now initiate contact with the guerrillas before they attempt to undertake any operations so as to prevent unnecessary work disruptions.

The rebels normally demand a down payment or an "entrance fee", to be paid, as a sign of good faith, before the work commences. Occasionally, a contractor reveals, the guerrillas also ask for "special orders", food or other supplies. Sometimes, military officers here say, the NPA also demands firearms and the officers claim that some of these firearms en route to the rebels have been intercepted by soldiers.

Another "taxation" scheme involves levying a tax on every piece of equipment that a logging operator brings into an area. A military intelligence report says that the current rates are: P10,000 for every big bulldozer; P5,000 for every small bulldozer; P2,000 for every crane, loader, glide and puller; P1,000 for every hauling truck; and P500 for every chainsaw.

The NPA "taxation" scheme adapts to the complexity of the logging system here where concessionaires are unable to operate the entire areas of their concession and so farm out logging contracts to any number of logging operators, usually local Chinese businessmen. This practice, known as the farming of a license, is forbidden by forestry regulations but is quite rampant in Cagayan.

The contractors, who are paid by the concessionaire anywhere from P3.50 to P5 per board foot of harvested wood, sometimes also farm out the work to other logging operators. Thus, often the burden of dealing with the rebels falls on this whole network of contractors and subcontractors.

According to a military report, the NPA levies taxes on a graduated scale. Large-scale illegal loggers are levied more, as much as 50 centavos per board foot. Illegally cut logs could refer to those harvested by a concessionaire whose timber license has been cancelled or by logging operators who harvest beyond the amount allowed by the Bureau of Forestry or outside of the concession that hired them.

Concessionaires are taxed 25 to 30 centavos per board foot while contractors and subcontractors are levied a smaller amount, anywhere from 15 to 20 centavos per board foot.

This year's taxes are much higher than last year's when

contractors say, the top rate was 30 centavos per board foot. The military report says that increased taxation is part of the rebels' efforts to intensify the level of guerrilla warfare, not only in northern Luzon but also, the entire country.

The report claims that the NPA in Region 2 had set at P18-P20 million in its tax collection goal for this year. Last year, the rebels collected only half that amount, says the report.

**A FAVORITE TOPIC** of idle debate here is who profits more from logging: the NPA or the military?

Quite apart from the support for counter-insurgency operations that the military gets from logging companies, officers, soldiers and even militiamen make money on the side from logging operations.

The most common way is of course the checkpoints. A logging truck passes any number of them going from the hinterlands of Cagayan to the sawmills in Valenzuela, Bulacan. Soldiers manning these checkpoints normally ask for a fee which, a trucking operator says, gets progressively higher over the farther the truck gets from Cagayan.

Even Region 2 Constabulary commander Brig. Gen. Manuel Avila expressed frustration about this literal highway robbery. "Somehow," he said, "even policemen who are not supposed to do it, /do it. Maybe the only way we can stop this is to raise their pay."

This extortion by soldiers and policemen makes possible the transport of huge quantities of illegal logs to Bulacan. The executive of a big logging company estimates that anywhere from 10,000 to 20,000 cubic meters of illegally cut logs from Cagayan make it to Bulacan every logging season.

It is also quite well-known here that some of the big-time logging contractors are high-ranking military officers who earn as much as several millions in every logging season.

Other officers get a share of profits by giving protection to logging operators. In eastern Cagayan, says a logging contractor, military officers demand "tong" of 15 centavos per board foot of harvested wood. In some instances, the officers demand truckloads of sawn lumber.

Logging contractors are also asked to support military detachments in their area by giving company commanders food, supplies and allowances.

On a more official basis, a memorandum signed in 1982 by the Philippine Wood Producers Association, the Philippine Constabulary and the BFD provided for the organization of security guards for timber concessions from volunteer ex-military draftees and trainees. The guards would be categorized as members of the Civilian Home Defense Force. According to the memo, they would be armed, equipped and paid for by the logging company but trained, supervised and chosen by the PC.

In the Cagayan Valley region, only Taggat Industries was able to comply with the memorandum. A report



published by the 'Philippine Lumberman', a newsletter for loggers and foresters, says that Tagat has 150 soldiers and 30 security guards watching over its concession.

Tagat equipment is routinely burned by the NPA every logging season. A Tagat executive says that the company lost about P10 million in the last three years due to NPA operations although a 'Lumberman' report said that in one NPA raid last year alone the firm already lost P17 million worth of equipment.

Tagat considers the war with the rebels its own. Company planes drop supplies when soldiers conduct military operations in northwestern Cagayan. The firm's airstrip is also used for counter-insurgency operations and its planes for reconnaissance and intelligence-gathering operations. The company also has its own armored-plating facilities which explain the armored-plated vehicles that guard the Tagat concession. It also gives allowances and supplies to soldiers guarding the concession and troops that conduct operations in the area.

The military reciprocated in kind. The concession is kept secure by soldiers drawn from at least three infantry battalions. At one point last year when there were continuous battles between rebels and soldiers in the area, the concession was kept under guard by helicopter gunships provided by the Army.

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CSO: 4200/700

ARTICLE VIEWS TRANSITION, POLARIZATION IN NEGROS

Manila NR. & NB. (Special Edition) in English 3-9 Jul 87 pp 12-13, 17-19

[Article by Candy Quimpo: "Oro, Plata, Mata...For Real"]

[Text]

*In the old days, we used to say, "I am a Sugar Planter." Now we say, "I am only a sugar planter."*

Amelo Lizares  
OIC Mayor of  
Talisay,  
Negros Occidental

*We are not culturally ready to accept sweeping land reform... the workers cannot make decisions about running the land. I hate to say it, but most of our laborers are not farmers.*

Daniel Lacson, Jr.  
OIC Governor of  
Negros Occidental

*If they will not listen to the appeal of the people for land, maybe they will listen to the bark of the gun. It seems that the gun is being loaded now.*

Serge Chernigain  
Secretary-general of  
the National Federation of Sugar  
Workers, Food &  
General Trade

*They simply don't want to give us land.*

Orillo Semiliano  
Sugar worker of  
La Carlota,  
Negros Occidental

**N**EGROS OCCIDENTAL — The landscape here is changing. Where once proliferated the spiky bloom of sugar cane, cement craters pockmark the land. The craters are stocked with prawn. Sugar, you see, is dead in Sugarlandia.

It was a slow death. Sugar planters say that Ferdinand Marcos, with his sugar czars and his Philippine Sugar Commission (PHILSUCOM) and his National Sugar Trading Corporation (NASUTRA), murdered the industry with avarice and mismanagement. But the stench of decay permeated the hovels of unhappy peasants long before the Marcoses entrenched themselves in government.

The Negros of today, as in the Negros of old, is a picture of extremes. In the heyday of sugar, champagne sprang from fountains and a

special Sunrise flight from Bacolod City, the capital, to Manila ferried sugar scions to and from the gaming tables of casinos. Foreign educations gave a cosmopolitan lilt to the landed class. Bishop Antonio Fortich, the *nino bonito* of well-heeled farmers, drove around in a Mercedes Benz, drank Carlos Primero and smoked Havana cigars. Now the landed class is not as moneyed as before. Bishop Fortich, much closer now to the ragged peons in his diocese, is the champion of the Negros oppressed, and the nemesis of right-wing groups out to demolish Communism. The polarization of Negrenses is determined by guns. On one side are workers taking to the hills to join the New People's Army; on the other, a few sugar planters arming forces to battle the rebels.

Where lies the future of Negros?

A DEATH IN LA CARLOTA

**E**NTERING Hacienda Paz in La Carlota

City is like entering a ghost town. But the staring ghosts are made of flesh and blood. The little community of tillers seems to have been struck dumb by some vicious force.

A week before, a foreign correspondent doing a story on land reform stumbled upon a caravan of peasants leaving Hacienda Paz. They carried with them the mutilated body of Richard Ordon, 22, laborer.

Late in the evening of 15 June, masked men barged into Hacienda Paz armed with M-16s. They surrounded the hut occupied by Ordon and a fellow laborer. As witnesses describe it, they saw the other man stumble out before the masked men entered Ordon's hut. "We heard Richard screaming, 'Please, please, don't kill me before I write a letter to my mother!'" one woman recounted. Another said she heard Richard shouting, "Don't hurt me, kill me but don't hurt me!"

The following morning, Ordon was found dead on the blood-spattered bamboo floor of his ransacked cottage. Someone had stabbed him in the midsection, twisting the knife to shred his insides. A bullet through his chin tore off his cranium. What was left of the cavity was stuffed with dirty t-shirts. His genitals were hacked off.

In Negros where the peasants have had a long, uncomfortable history with the military, it was easy for the workers to suspect soldiers of the gory handiwork.

Planters, on the other hand, said they would not put it past the insurgents to concoct the atrocity to further heighten the people's differences with the military. Not trusting the military, fearful of the landed gentry's scorn, the peasants turned to the church.

Stacking their few belongings in ox carts, the community of Hacienda Paz made the hour's trek to the church at the center of La Carlota. They lived in the high school gym for four days before summing up the courage to return to their homes. Richard Ordon was buried in those four days but his murderers are yet to be found.

Peasants believe that Ordon's murder was the direct result of the killing of a Civilian Home Defense Force recruit a few days before. The CHDF man was hanging onto the back rungs of a service vehicle when he was shot in the back by a suspected rebel. The assassin fled in the direction of Ordon's cottage, the peasants say.

The gateway to Hacienda Paz is now guarded by a score of soldiers and CHDF recruits. Most of the families have returned to the fields. Some did not return. All persons 12 years old and above were photographed for "security reasons." The soldiers and the CHDF men nap and giggle in conversation by the gate. But the tillers of Hacienda Paz are silent.

What do these people think of the new democratic

space afforded by the Aquino Government? "She (Cory Aquino) started well," says Orillo Semillano, 55, who had just taken his carabao out to graze at the parameters of the cane fields, "but she became worse than Marcos. During the time of Marcos, we did not have soldiers here (in Hacienda Paz). Now, with Cory, we have our own detachment."

If the murder of Richard Ordon, laborer, were indeed the handiwork of the military, the story is incomplete.

Three months ago, a Philippine Constabulary detachment south of Bacolod was raided by rebels. One soldier lagging behind was crucified (it was Lent), nailed to the ground and mutilated in much the same fashion as Richard Ordon. Military gunships later retook the area, killing many rebels in the process.

Where lies the future of Negros?

## VIGILANTEISM

THE landscape of Negros is ever-changing. But the rule of the gun barrel cannot help but prevail. There are what people call "warlords," the politically influential class who had vast lands and protected their interests with private armies. But there are also the New People's Army rebels who now rule the mountains and the deeply forested areas of the province. The long dormant Kanlaon Volcano, where the scions of the landed

gentry used to go on "Kantlaon Safaris," nourishes deep in its bowels the cream of the island's insurgents. Planters complain of cattle seized, workers recruited, taxes demanded by this shadowy force. Now they are fighting back.

"It is humiliating the way the NPA bully us around," said one sugar planter who refused to be identified, "I still believe that the CHDF was the best thing that could have happened — if it was used in the right way. A knife is a good thing if you don't kill people. The CHDF was perfect. When they send military from Leyte, from Mindanao, they are helpless. When one farm is attacked, they can't find it, they don't know where it is. Once, when a farm was hit by the rebels, the military went to three farms before finding the stricken area. When it is a CHDF, he knows where the back doors are, he knows the lay of the land; it was more efficient. That's why the Left wanted it (CHDF) out. Of course, it was used, used by some politicians. But that wouldn't happen if we don't allow it to be used."

The rising fear for their properties has pushed many planters farther Right. Vigilante groups abound in Negros. Two weeks ago, radio commentator Jun Pala, who was instrumental in forming the successful Alsa Masa of Davao City, spoke to Bacolod folk on the rudiments of forming vigilante groups. Planters flocked to the forum. There are now *Alsa Masa* groups in certain towns of northern

Negros but other anti-Communist armed groups abound elsewhere: there is the *Siklob* in Bagu City; the *Knights of Rizal* (a Rizalista cult) in the mountains of Kabankalan; the *Tadtud* in La Castellana; the *Cadre* in the Isabela mountains; and of course, the *El Tigre* in Bacolod City.

There is also the PCFC (for Philippine Constabulary Forward Command), so far the least alarming of armed groups in Negros. The Philippine Constabulary hires laborers aspiring to eventually become soldiers. The Forward Command recruits high school graduates who become eligible for the PC after two years of being part of the Forward Command. They are required to take psychological exams to determine their readiness to handle the touchy job. They undergo seminars and patrol communities besides engaging in civic work to help the peasants. Planters report that the FC has been most effective in catching illegal loggers.

Victor Puey, DIC Mayor of Sagay, however, says, "How can I entrust my life to these gun-toting men who used to hang around the *sari-sari* stores because they have nothing to do? These groups always look good in the beginning. They always work out well in the beginning. Things go wrong only after some time has passed."

But what is Negros to do?

## A RADICAL CHURCH

**I**N LA Carlota City, the parish priest has

a dog named Sparrow. During the Lenten season, he erected a huge mural over the altar depicting scenes of human suffering which include the Escalante massacre; a reprise of the famous photograph of the killing of a Viet Cong captive in Saigon during the Tet offensive; prostitutes in Japan, the suffering peasant — all against the backdrop of a bloody cross stained with the hues of an American flag. With Lent over, the painting still occupies a prominent place in the 110-year-old Our Lady of Peace Cathedral. "I wanted to take it apart to use the plywood but it seemed such a waste," says Father Gregorio Patino, 41, a Cebuano priest who has served in Negros for the last 22 years.

"The mural is part of our lenten reflection. The theme was that the suffering of Christ is the suffering of the Filipino people," Father Greg explains.

The mural angered many residents of La Carlota, a conservative parish. "The mural started some fighting and gossiping among the people. It is shocking but we have tried to explain it very well to our parishioners."

Father Greg is one of the many Negros clergy tagged a Communist by the military.

The Angry Christ is a figure unknown anywhere in the Christian world. The Angry Christ is native to Negros and perhaps embodies the theology espoused by the "radical" priests of Negros. "The Angry Christ is a creation of the workers, inspired by the agony and



suffering of the workers," explains Father Greg. Several of these priests have stepped beyond the bounds of clerical matters into the fray of the insurgent's cause.

Though Bishop Antonio Fortich is considered nearer the center than the more radical clergy, he is known as "Ka Tony" to the military who suspect him of collaborating with rebels.

The monsignor's home was damaged by a grenade blast last month. Rightist elements are suspected to have been responsible for the blast, angered as they are by the Bishop's friendliness to the Left. "The only casualty of the blast," chuckles Bishop Fortich, "was a sparrow without a unit." Indeed, his desk displays the stuffed remains of a tattered sparrow which was found on the site of the blast. The bishop now claims a more friendly relationship with the Bacolod military. He has in fact said mass at the headquarters of provincial commander Colonel Mike Coronel.

In the aftermath of the ruckus kicked up over radical clergy, Bishop Fortich appears to have mellowed in his remarks, less virulent towards the military, more conciliatory to the landed, yet maintaining a clear concern for the poor. Says the Bishop, "Here in our country, if you work for the poor, you are considered a Leftist. They do not understand the principle of the preferential option for the poor! . . . This principle is not exclusive because all are the children of the Church . . .

we have to help the poor because the poor cannot help themselves. The well-to-do, the educated, have the resources to help themselves—like land-grabbing, for instance . . . how can the poor defend themselves?"

The Bishop has given his support to the 60-30-10 scheme advocated by reformist OIC Governor Daniel Lacson, Jr. "The Governor's idea is not to destroy either the sugar planters and not to leave the tillers of the land without anything they can call their own. . . This is a temporary solution while the technocrats are still looking for the real formula to solve the land problem of the country. In the meantime, I think it can buy peace."

#### FIRST FARMERS, A COOPERATIVE

**T**HE press come to Negros only to see the evil that planters do. Nobody writes about the good things that are going on," Bernard Trebol, sugar planter, is embittered by the ugly publicity given sugar planters that has characterized the reporting on land reform.

Trebol is president of the First Farmers Association, a cooperative of 274 planters, from small farmers owning five-hectare lands to big planters owning hundreds of hectares of land. If worse comes to worst in Negros, one observer said, First Farmers would probably survive. The reason: diversification combined with a bit of compassion.

Consider the First Farmers family: First Farmers Milling and Marketing Cooperative Association, Inc.; First Farmers Association; First Farmers Agr-Industrial Marketing Cooperative; First Farmers Food Corporation; First Farmers Feed Corporation; First Farmers Diversified Corporation; First Farmers Aqua Ventures Corporation; First Farmers Aqua Feed Corporation; and First Farmers Human Development Foundation.

Though he admits that Negros suffers a basic "historical defect" — i.e. a feudalistic attitude carried over from decades of occupying positions of power in Negros society — Trebol insists: "The majority of sugar planters have changed their attitudes. The insurgency has brought out a tendency for planters to go back to their farms to talk to people and listen to their problems."

The First Farmers Association was first created in 1963 when farmers found



ANGRY Christ: a creature of Sugarlandia.

themselves being short-changed by a powerbroker-planter's mill. Trebol's father was one of the planters who banded together to put up their own mill. "All odds were against them," says Trebol, "But they were cohesive because they had a common problem. When they started the mill everyone was laughing at them. Indeed, the first sugar that came out of the second hand mill they got was mud." But the muddy sugar only served to galvanize the farmers all the more.

The FFA finally became a cooperative in the '70s. Trebol believes it to be "the only successful cooperative in the country."

To assist their farm workers, the FFA embarked on their Integrated Socio-Economic Program (ISEP). The ISEP is an acknowledgment that planters have a social responsibility to the farm workers in the First Farmers District (cooperatively owned land in the cities of Bacolod and Silay and the towns of Talisay and Murcial). The program is designed to provide farm workers and their families with access to an improved quality of life.

In the First Farmers district are communities of workers who till, not only their employers' land, but tracts of land the produce of which they sell as their own. Other families are availing of swine and cattle programs.

The FFA's human development program on the other hand is supposed to do

the farmer's spirit what ISEP does for their bodies' nourishment. "We found out that the problem was also in attitudes — these (workers) have big empty fields in the backs of their houses yet they go to the market to buy vegetables. Just as the planters found it hard to diversify, the tillers also find it hard to change their ways."

In Hacienda Bendito in Barangay Granada, Alangilan, an FFA member farm, Julie Lanza, 38, a farm worker, reacted vehemently to the idea of land reform, "I sympathize with my *amo* (owner), he didn't inherit this land, he bought it with his own money. We have no problem with the owner because he lets us use his land." But on second thought, she said, "But if I'm given land, why not? I don't know about other workers but I can handle my own land. I know how to run a farm."

#### A WORKER'S UNION

ONE wouldn't think that Serge Cherniguin was once a lowly sugar worker. He looks more like a Wall Street businessman in proletarian garb, with mestizo looks that are distinctively European. Cherniguin is half-Russian and secretary-general of the most powerful union in Negros today: the National Federation of Sugar Workers, Food & General Trade.

Cherniguin worked on a sugar plantation as an overseer in the '70s, earning P1,000 to P1,500 a month

with many privileges. At the time, workers in the cane fields of Negros earned less than P10 per day. Says he, "I thought things were miserable when I was working in the hacienda. When I joined the union full time, I found out that things were worse. Much worse."

Cherniguin's Russian sire fought for the Czar Nicholas at the turn of the century and survived to migrate via Shanghai to the Philippines. Now, Cherniguin's son tells his Filipino mother, "Grandfather must have fought the proletariat." To which his mother replies, "That's why we are now making up for it."

The NFSW was founded in 1971. Says Cherniguin: "We were rallying for land reform in 1977, long before people held up clenched fists all over the country."

The NFSW aims to abolish the hacienda system and eventually replace them with cooperatives. The union has managed to convince several planters to lend as much as nine hectares of land to workers to till, with the union signing as guarantor.

Cherniguin scoffs at the idea that workers would not be able to cope with sweeping land reform because they were not ready to be on their own, "Workers are ready for land reform because they need food. There are feeding centers all over the place but the question of land has never been touched. . . The subservient mind was developed by the system. We (Negrenses) operate on

the naive reasoning that it is only the sugar planters who can rehabilitate Negros because the workers are too ignorant. They did it deliberately."

Surprisingly, the NFSW is supporting the conciliatory 60-30-10 scheme. "We support (the 60-30-10 idea) as a start but not as an end to itself. Though we start with 40 per cent in cooperative farms, we will eventually achieve genuine land reform."

Cherniglin emphasized that the union is not in favor of the comprehensive scheme either with the seven-hectare limit. "There are small landowners who suffered to get that land, it is the nine per cent upper crust who really must share. I feel that the sugar planters are agitating the small ones when they are only out to protect themselves."

In the end, says Cherniglin, one will find that only the big sugar planters are the angriest and the loudest. "The planters have lost their sense of basic human decency . . . we despise Hitler for killing people but what these

planters are doing is killing people. Killing their workers and their workers' children."

Says Bibing Villavicencio, 28, an NFSW volunteer and sugar worker: "*Kung totoo na tamed ang tao, na hindi nila haya ang lupa, bakit magdedamanda sila ng genuine land reform?*" (If the people really are lazy, if they cannot handle the land, why would they demand genuine land reform?)

**T**HE EPILOGUE  
HE landscape here is changing. Where once proliferated the spiky bloom of sugar cane, cement craters stocked with prawn pockmark the land. Where once the genteel fr'k lived harmoniously, the threat from Right and Left prevails. Where once the promise of the luxuriant cane fields brought contentment, the specter of ugly deprivation looms over the land.

The children are no hungrier in the rest of the Philippines but the vision of Joel Abong, the bloat-bellied child whose photograph raced around the world to proclaim an Ethiopia in Negros, challenges the

consciences of the landed. "Do the people deserve land just because they are poor?" asked one sugar planter. Perhaps not. But the cries of the landless poor cannot be ignored.

"Nothing has changed under Cory," sighs a peasant woman in La Carlota, a feverish-eyed child at her breast, a scythe in her muddled hand. She is 32 years old, yet she has the face of a 50-year-old. The land she yearns for has robbed her of her youth.

"My family will suffer," cries one planter whose 250 hectares stand to be parceled with the advent of sweeping land reform. His children go to exclusive schools in Manila. His hands are manicured and soft. He drives a brand-new pick-up truck.

"My poor *ama* worked hard for his land. His family will suffer," cries a woman in a grass-stained apron, her fingernails blackened by the sod, her children tugging hungrily at her skirt.

Where lies the future of Negros? MM

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**WEEKLY INTERVIEWS NEGROS GOVERNOR ON 'BUY-TIME' REFORM PLAN**

**Manila MR. & MB. (Special Edition) in English 3-9 Jul 87 pp 14, 15**

**[Interview by Candy Quimpo with Negros Occidental OIC Governor Daniel "Bitay" Lacson: "To Reform or Not To Reform"]**

**[Text]**

In Negros today, the question is: To Reform Or Not To Reform? Sugar Planters insist that they are for land reform — but with just compensation. The Comprehensive Land Reform scheme advocated by the government promises only 10 per cent remuneration in the first year. OIC Governor Daniel Lacson, Jr. thinks he has the answer to the dilemma. He believes that his "60-30-10" program would be more acceptable to the planters because it allows the planters to retain most of their land. The plan allows 60 per cent to the planter; 30 per cent for cooperative farming; and 10 per cent homelot and foodlot (with title) to the planter. The revolutionary scheme at first irked the planters who wanted to retain all their land or at least get paid for it. But with the announcement of the government's more radical land reform program, support has

snow-balled. Even the left-wing worker's union, the National Federation of Sugar Workers, Food & Trade, has signified its support for as long as the 60-30-10 leads to land reform. Lacson hopes for even more. He envisions the scheme as a step towards industrialization — towards turning Negros into another Taiwan. The following are excerpts of an interview with "Bitay" Lacson when *Special Edition* associate editor CANDY QUIMPO visited Negros last week.

**SPECIAL EDITION: How much support do you have for your 60-30-10 scheme?**

DLJ: It's hard to tell right now. If you talk about true representation which is through the planters' association, we had about 26 of them in attendance during the consultative forum about three weeks ago. Out of 31 associations in Negros, 26

attended, and all 26 were in favor of 60-30-10. These were the elected officials and as elected officials, reflecting the sentiments of their association, it was a pretty good turn-out. Of course within the associations, there would be those who agree, and those who disagree, you will never know exactly how many unless you hold consultative fora within their associations.

SE: Would you know the demographics of those who support your plan? Would they generally be big land-owners or small farmers or tenants?

DLJ: From small to the big . . . it would depend on a lot of factors: one, *how much you owe the bank*; second, *how much land you are willing to share with your people*; third, *land valuation of the owner and bank valuation of the land*.

SE: Wasn't there some kind of poetic justice when



the valuation of the owners of their lands over the years (they undervalued to pay less taxes) is now the price the government is willing to pay for the land in case of land reform?

DLJ: They were being practical about it, you know, that's business. Well, if the government did not tax them accordingly, that's the fault of government. You cannot just be blaming landowners as if they were the source of all these problems. The government allowed it, not only through land taxes but through the Bureau of Internal Revenue. If they get away with their profits over their agricultural enterprises simply because we were not able to tax them properly.

That's why now, I think we are giving everybody a chance. This is a new society that we are trying to rebuild. We are trying to correct corruption in the government. We are trying to encourage professionalism in the government. We are trying to come up with proper incentive schemes so that we can collect more from the basic existing tax law, rather than add more taxes. . .

SE: Why did you start on it?

DLJ: Because even last year, if you talked to the laborers, they were crying for justice. Either higher wages or land sharing. If you talked to the landowners, they were crying for justice: to be paid back all of the amounts stolen by Marcos and company. So if you just

listen to everybody, then everybody has got something to rave about. I said, let's come up with a plan which would hopefully save everybody.

SE: At that time, were the farmers crying out for land reform? Or were they just saying, more food, more work . . . ?

DLJ: Just more food, more pay, more jobs. Of course there were some unions saying land reform. At the time, I think nobody ever thought that the President would come up with a proposal like this, this soon. What I am trying to say is that whether we do it, or somebody else does it, we think it's better for us to do it ourselves. At that time, it was not even demanded. Why? Because (the problem at the time) was malnutrition. But there was a time during the last two years when the planters were incurring deficits and the banks had no policy whether to foreclose or restructure. I had to come in with something . . . Whether it was a question of foreclosing the land, acquiring land, or whatever, something had to come up to address that issue. So, I sat down with the landed class last year. I sat down with the labor class. I sat down with the banks, and we arrived at that formula.

SE: Who exactly were involved in formulating the idea?

DLJ: I called all the different sectors to be represented. All the planters'

federations were called, one was against it. We called also for the labor sectors, and after several discussions, they agreed. Third, I talked to the banks, because they were going to be affected. However, last year there was a group, the Federation of Free Planters, who attacked the formula and made a lot of noise in Manila. The President, somehow, thought that this was very unpopular. And she formed a task force to study it further but it took the task force four months to finish our report. We finished it in April this year. When we finally submitted our report, CARP was there, their own Agrarian Reform Program.

SE: So you came in much earlier.

DLJ: I was hoping that it would be implemented as early as October last year.

SE: Where did you get this idea? There is no other formulation in the world like this.

DLJ: I was president of the *Handumanon* Science Foundation, which is La Salle-based. We have scholars numbering 250 every year being sent to high school. I organized this together with other concerned La Salle alumni 10 years ago during our silver jubilee. Now in order for us to get an NSDA status for tax exemptions, we registered as a science foundation. As a science foundation we were required to conduct scientific research. One of the researches we conducted was on social science and the

sugar industry. In one of the reports as early as 1981, we saw the problems faced by the laborers in the sugar industry. I immediately called the attention of the landed class through the different planters' associations to see what we could do about the problems. One is land-sharing. As early as 1982, we started campaigning for land-sharing in Negros — but nobody writes about those things. Then we collated all the experiences of those who over the years had practiced land-sharing. As a result of that, a series of discussions and consultations, experiments and trials, by 1986 last year, I came up with 60-30-10... But there were no incentives. Nothing came from the national government. In '84, I encouraged then Governor Montelibano to give over foreclosed properties to land reform... The PNB board accepted the plan in principle but there was no action, no follow-up.

SE: Your plan banks on efficiency, there must be no corruption, no hanky-panky. This is the Philippines. Can this be done?

DLJ: That's why I was saying that we are culturally not ready right now. I'm talking about our people ready to accept large estates and make big decisions. Right now they're being told: you plant, you weed, you fertilize. All of a sudden you tell them: you decide when to plant, when to weed, where you'll get your money. I'm talking about

sweeping land reform. I hate to say it but right now, most of them are laborers, not farmers. A farmer makes decisions, when to plant, what to plant, when to fertilize. I hate to say it but these are the facts. And you can test, talk to these people about whether they are ready to go to the bank, start discussing loans, compute interest rates. So what we did during those last five years, through foundations, was encourage voluntary land transfer operations. Foundations like the Negros Economic Development Foundation where I sit as President; Human Development Foundation of First Farmers; and National Economic Development Foundation, the major deliverer of these land transfer systems. You can ask our executive director how much we are exposed to. And it's happening! People are coming forward and saying, I'm letting them plant on my land for free. Voluntary!... In our own family farm, I felt insecure talking about the program and our family not doing it ourselves. And here I was talking to the land-owners who probably should have asked, "Who are you?" You are a shipping man, not farmer. So I asked my brother who was running our family farm to allow a portion of our land to be given to our tenants to be tilled. And that's how we got involved in land sharing as early as 1982. In my own experience, because I have managed the transfer, it

was very difficult to get them to develop it. I got personally involved in the one in Talisay. Sometimes providing carrots, sometimes whipping them with sticks. Meaning, I'm telling them, look, we're giving the land for free, but if you are not going to develop it, we're taking it back, that's the stick. It took them about a year, a year and a half.

SE: Why was it like that?

DLJ: They are not used to it. See, they'd say, Toto, give me P60 a day, I'll be happier than if you gave me that piece of land.

SE: Why?

DLJ: They have never in their lives made decisions like that. One of the excuses were, "We're tired already by the end of the day." So I told them, "What about your children, what about your wife? Can't they be made productive? What about your spare time, say, one hour a day? Your wife, one hour a day? Your children's Saturdays and Sundays? Develop that garden so that it will be self-sufficient." So now it's taking on. Why? Because finally, they saw the profits. Yet it took me two and a half years. While in other farms, they are stumbling. So the way things are right now we need to buy time. Start with the 60-30-10 because it would be a slower program than a sweeping land reform program.

It's a buy-time formula for everybody. The three major parties here are: the landed class, the government

and the labor sector. Why buy time?

The laborers are not ready right now for a 100 per cent takeover. But if you start them off with individual plots as we proposed, they would be having their own 1,000 square meters homelot and foodlot. You will probably say that it is not enough. Yes, it may not be enough if it is the only one that they will till, but there will be a cooperative where they will do cooperative-farming on the 30 per cent. Here is where the other option is. The third option will come from possible employment from the land-owners if they want to employ workers. So labor now has three options rather than one. Then we (the government) bring in livelihood programs to augment their income not just from land but from chicken, cattle, hogs they can raise side by side. If they can manage 10 to 40 per cent maybe they can manage the 100 per cent eventually, assuming we reach that stage.

Next step, why buy time for the government? We don't have the resources, the income. We are not ready ourselves to deliver the program. So — when you say, take over the land, who's going to manage it? Who's going to effect the delivery? Do we have all these? We don't have it right now. We are not ready. But I believe that in the three to five years time it will take us to deliver the 60-30-10 maybe the resources of the government will have increased. Maybe by that time

we can hope for better deals for the landed class and for the labor sector. We need time to be ready with the resources and the support system.

Why buy time for the landed class? Right now they're shocked. They have no other options. You're pushing them against the wall. So I'm talking about a 40-hectare farmer who has five children, two in college, two in high school, and one in the grade school. Do you just tell him that all of a sudden we're taking over your land? You can't even allow your children to get a portion of the land except for yourself? If you tell him right now that he will be given seven hectares retention, he will be in shock, he has no other options. And you tell him, in one month's time I'll be taking over your land, I'll just pay you 10 per cent downpayment. What can he do with 10 per cent? If you gave him 10,000 pesos right now, how long will that sustain his children in college and high school? You have to think of these guys who are going to lose their bread and butter! Go for the big guys who are doctors, who are businessmen in Manila who have land. They can dispense with their land. But you are talking about 10 to 50-hectare farmers who have been farmers all their lives. Now you've got to ship him off his land and subdivide it to his laborers. He's also crying for justice. We need to buy time for these guys. If we want to move them into industry, in three to five

years time, he will think, ah, I might eventually lose 60 per cent of my land or the entire land so maybe I'd better think of putting up a barber shop or a shop, a garment factory, maybe a computer store — whatever! The way things are right now, there is nothing! He was just told you might lose it as soon as the President signs it. Imagine the reaction. That's why they are very emotional about it. And that's not just in Negros, it's all over the country.

It's a compromise formula, it's not 100 per cent for any one person, it's a portion of a total pie for all the three sectors. Some people say, "Governor, do you agree that eventually, the 60 per cent will have to be touched?" I said, "If the 40 per cent does not work." The 60 per cent will be subject to review for full implementation. But that's five to ten years from now! Why are we trying to pre-empt now the second and the third Congress? I said, "In Negros, we have an agro-industrial program that maybe in 10 years will be reaching the level of Taiwan such that the people will be shifting from agriculture to industry. It will be funny if today's law states that after 15 years we will be giving the land to the laborers and after those years there are no takers. Why? They may no longer want to be in agriculture, their children are all in industries. Their folks are too old to go farming. They'll say, I wanna retire.



That's our dream in Negros.  
To be the Taiwan of the  
Philippines. We don't want  
to be an agricultural  
country. We don't want to be  
forever the slaves of the rest  
of the world. We don't want  
to be peasant farmers. We  
want to be a progressive  
province and nation. That's  
why we are going to go into  
a balanced agro-industrial  
development. **AM**

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OIL DRILLING OFF PALAWAN TO BEGIN IN AUGUST

HK081026 Manila MANILA BULLETIN in English 8 Jul 87 p 15

[Text] An all-Filipino consortium is scheduled to begin drilling operations next month on the Tara structure a pinnacle reef located less than 2 kilometers from the Libro platform off the Palawan Island.

The lead company for the project is Trans-Asia Exploration and Drilling Company which has been designated as the operator through a participation agreement signed last February for the purpose of drilling a development well in Tara oilfield.

The distribution of the parties' interest under the agreement are as follows: Oriental Petroleum, 10 percent; Basic Petroleum, 10 percent; Balabar Oil, 22.5 percent; Seafront, 5.0 percent; and Trans-Asia, 22.5 percent.

The parties have agreed to carry the Philippine National Oil Company [PNOC] to the extent of 13.5 percent of the contractor's share of the net proceeds because of PNOC's prior expenditure in running the 3-dimensional seismic survey on the Tara structure. It means that PNOC will be getting a share of 13.5 percent from the proceeds of the production, but will not share in the drilling expenses.

All the other parties will share, according to the percentage distribution above, in both drilling expenses and proceeds from the production.

The Tara field was discovered 6 years ago by the same consortium, with Philippine Cities Service Corporation as the operator.

The reef prospect was drilled in 1981 and was drilled in 1981 and was temporarily plugged and abandoned as a wildcat oil discovery after stem tests succeeded in following 3,400 barrels per day.

Because of the limited oil column encountered, the Service Contract No 14 consortium headed by Philippine Cities Service decided to relinquish the field.

However, additional studies were made on this discovery well by Bureau of Energy and the Philippine National Oil Company and Petro-Canada International Corp. A very detailed 3-dimensional seismic survey was run on the area last year.

The results of the seismic survey revealed separate carbonate buildups to the north and west of where Tara No 1 was drilled. They also indicated that this well was probably drilled about 50 feet below the apex of the structure. These findings seemed to suggest that there may be more oil than what was initially estimated, according to the consortium.

Rather than consider the Tara field as part of a new service contract, the consortium has negotiated with the BED [Bureau of Energy Development] to include this as an additional block within Service contract No 14.

The foreign partner in the service contract, now known as Alcorn Companies, elected not to participate in the forthcoming drilling.

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CSO: 4200/726

**JAN-MAY INVESTMENTS REPORTED AT P2.9 BILLION**

HK270920 Manila THE MANILA CHRONICLE in English 27 Jun 87 p 9

[Text] Investments in new and existing corporations during the first five months of 1987 have soared to P2.87 billion, or nearly double the P1.5 billion recorded during the same period last year, the Securities and Exchange Commission (SEC) reported yesterday.

A total of 4,140 companies were put up during the period compared to only 2,947 firms established in the first five months of 1986.

For 1987, an average of 828 new companies formed from January to May this year had a total capitalization of P1.31 billion, which was 2.2 times the P594.5 million invested in the new firms incorporated during the same period in 1986.

Aside from this, another P1.56 billion worth of investments were infused in the more than 250 existing companies which expanded during the first five months of 1987. From January to May last year, only P907.11 million was invested in existing firms.

Foreign investments in local companies also rose three-fold during the period to P602 million, from only P188.2 million last year.

For the month of May, however, the SEC noted a lower investment trend compared to the previous month. The number of companies formed last month reached 505 with an initial paid-up capital of P136.5 million, which was 54.6 percent lower than the April 1987 level of P300.7 million.

Business expansions last month also slid by 79.2 percent to P114.1 million from P548.4 million last April. Compared to May last year, this year's level was also 30.1 percent lower.

The wholesale and retail trade industry attracted the most number of new companies last month with 133 firms, but the financing, insurance and real estate sector had the biggest investment with P29.6 million.

/8309

CSO: 4200/712

## BRIEFS

**JAPANESE SHIPS 'GOODWILL VISIT'**--Manila, 15 July (AFP)--Four ships from the Japanese Maritime Self-Defense Force are to dock in Manila Saturday for a 5-day goodwill visit, the Japanese Embassy here said Wednesday. In Hele, Takatsuki, Kikuzuki, and Yugumo [names as received] of the force's training squadron have a total complement of 1,180 officers and crew members, under the command of Rear Admiral Makoto Yamamoto, according to a press statement. The visit will include courtesy calls on Philippine officials and the vessels will be open to the public on Sunday and Monday, it added. [Text] [Hong Kong AFP in English 1042 GMT 15 Jul 87 HK] /12232

**REBELS ATTACK ARMY OUTPOSTS**--Two military outposts were simultaneously attacked by rebels in northern Samar. Five soldiers were killed and two were wounded. The outposts are located in Barangay (Kablahan) and Barangay (Nenita), both in Mondragon town. The rebels were waiting for the troops which were headed for these outposts. In a related incident, 100 rebels attacked government troops in Barangay (Ilorina), Gingoog City, Misamis Oriental. Three soldiers were killed, four were wounded, and four others were missing and they are believed to be held captive by the rebels. The rebels ran away with three M16 rifles, one M203 grenade launcher, one (?Browning) automatic rifle, and one (?TNC) 77 Radio. [Text] [Quezon City Radyo ng Bayan in Tagalog 0330 GMT 16 Jul 87 HK] /12232

**EARTHQUAKE VICTIMS AID URGED**--Father Conrado Balweg, leader of the Cordillera People's Liberation Army (CPLA), has asked President Aquino to declare three towns of the mountain province hit by a strong earthquake last 18 June as calamity areas. Balweg told the president that the three towns of Tinglayan, Kalinga-Apayao, and Sadanga suffered heavily from the earthquake. About 5,000 residents of the three towns are reported facing starvation due extensive destruction of their [words indistinct] and their livestock. At least eight people were reported killed in landslides triggered by the tremor which also destroyed public and private property worth P10 million Balweg appealed for food, medicine and clothing for the earthquake victims. [Text] [Quezon City Sports Radio 738 in English 0300 GMT 16 Jul 87 HK] /12232

CSO: 4200/726



**KHMER ROUGE 'BRAVERY,' ATROCITIES, SIHANOUK DEPARTURE VIEWED**

Bangkok SU ANAKHOT in Thai 3-9 Jun 87 pp 35-36

[Excerpts] The Cambodian Problem: No Solutions

The reason why Sihanouk temporarily said "goodby" to his position as the leader of the tripartite coalition government was because he could no longer tolerate the killing of his soldiers by Khmer Rouge troops because of personal conflicts. These killings were not the first ones.

It is accepted that the Khmer Rouge battle force, which is fighting against Vietnamese troops and the soldiers of the Heng Samrin government, is efficient and fights bravely; this frightens its enemies. The most significant damage to Vietnam in the current battle against the Vietnamese invasion of Cambodia has been caused by Khmer Rouge troops. Neither Sihanouk's forces nor the Khmer Seri of Mr Son Sann, which have been combined under the tripartite coalition government, can match the abilities of the Khmer Rouge.

The biggest mistake of the Khmer Rouge, which none will forget, occurred in the period when the Khmer Rouge took power and became the government of Cambodia. In that period, they killed many people because they wanted to create a new ruling system in the country. The capitalists and the nobility were uprooted and swept away; it is believed that millions died. That mistake halted assistance from other nations that might have wanted to lend a helping hand, because they did not want to be involved with the Khmer Rouge. Even Vietnam uses the fact that the Khmer Rouge are a part of the tripartite coalition as an excuse for not discussing an end to the Cambodian problem.

China is the only nation that openly supports the Khmer Rouge. But there are others that secretly support them because they recognize the benefit of the Khmer Rouge fighting to free Cambodia; among these are Thailand and some socialist nations which are not part of the Soviet bloc. The Khmer Rouge are smart enough not to do anything to dissatisfy these supporters. They only accept weapons, food, and medicine in order to fight the Vietnamese. The Khmer Rouge, however, constitute another dead end in the resolution of the Cambodian problem because every concerned party, including the Khmer Seri and Sihanouk's forces, has always been in conflict with the Khmer Rouge. The reason why they have united loosely in the tripartite coalition government is for the purpose of communication with ASEAN. If there were no tripartite

coalition government, the future of Cambodia would be managed by Vietnam, the center would be Phnom Penh, and there would not be an itinerant government such as exists on the Thai-Cambodian border.

Another dead end in solving the Cambodian problem was brought out in a statement by Mr Hun Sen, prime minister and member of the Politburo of the Phnom Penh government, who was recently interviewed by the foreign press. Solving the Cambodian problem peacefully and politically is at an impasse as long as each party does not agree to compromise. Nowadays, each party makes proposals which cannot be agreed upon; there is never agreement.

ASEAN leaders are trying to set a date and place for discussions to dissuade Sihanouk, one more time, from withdrawing from the tripartite coalition. Meanwhile, during Sihanouk's absence, they are hoping to go to East Europe again to meet the leader of the Phnom Penh government for discussions concerning the peaceful resolution of the Cambodian problem.

The reason why Sihanouk has been given another chance is because ASEAN's leaders do not see who else could emerge as the leader of the tripartite coalition. The ASEAN leaders, meanwhile, realize that it is impossible to cut the Khmer Rouge out, as the Khmer Seri and Sihanouk wish, because they are afraid of conflict with China, which supports the Khmer Rouge. Thus, resolution of the Cambodian problem faces another dead end.

Faced with dead ends such as these, those who watch the Cambodian problem believe there should be a new solution, different from the old ones, to solve the Cambodian problem. But what that new solution will be remains to be seen.

13216/12859  
CSO: 4207/235

**POSSIBLE CHAWALIT INTEREST IN SUPREME COMMAND POST SEEN**

Bangkok SU ANAKHOT in Thai 10-16 Jun 87 pp 10-11

[Excerpts] Cover Story

**Becoming Supreme Commander: a New Sword in Chawalit's Hand**

Despite attempts to reduce the size of the Supreme Command, starting with not appointing a deputy supreme commander in the September 1986 military reshuffle, and taking into consideration the lack of preparations to cut the size of the organization immediately, it was agreed at a meeting of high ranking military officers from each of the services that there must be a supreme commander in the 1987 military reshuffle.

Initially, it was thought that the post of supreme commander would be assumed by the prime minister as part of his position. Now, only 3 months remain before the annual military reshuffle, but there has been no move to amend the law to allow the prime minister to assume the position of supreme commander as part of his prime ministerial duties.

Reportedly, Gen Chawalit Yongchaiyut, commander-in-chief of the Royal Thai Army, also desires to be the supreme commander concurrently; this would be the apex of his military career.

"The picture that emerges is not one in which he is seeking a double share of power; he has already announced that he will retire at the age of 55. Nobody has ever done this before, especially while he has been in such an important position. The reason why he wants two positions concurrently is to facilitate accomplishment of his tasks; for example, Supreme Command reorganization, which is part of the policy of reducing the size of the military. If he were only the commander-in-chief of the Royal Thai Army, how could he pursue this task?" asked an aide.

Cap, Prem-Chawalit

Some experts, however, noticed that the decision to serve in concurrent positions was made when it was learned that General Chawalit was estranged from Gen Prem Tinsulanond.

Some sources say that Chawalit's recent unexpected announcement in support of the construction of the Namjon Dam was not only attacked as going beyond his army responsibilities but also affects leaders of the government who have been attacked for not making decisions.

**Scene: Hiding From Politics, Not Losing Anything**

"When the no-confidence vote of the opposition failed, that was when the military lost the most, especially Gen Sunthorn Khongsomphong, who should have looked after himself and been ready to assume an important position. He appeared in the press as lobbying members of parliament." A major general opined that what had happened brought the military to the realization that it should be careful and not get involved in politics. This was the lesson of the aforementioned failed no-confidence motion of the opposition.

"It is not because of Chawalit's estrangement from the prime minister, the military simply may have to be more careful, that's all," said the same major general, who offered an opinion concerning Chawalit's estrangement from General Prem.

However, some sources indicate that the military is frustrated with the government's slow and ineffective procedures for solving problems.

"If they continue like this, whoever jumps into solving problems will lose every time," said a military commander.

Besides, it has been noticed that columnists for big newspapers who are close to powerful military groups are expressing support for Chawalit nowadays, cheering him on while attacking the government for not solving problems.

Concerning General Chawalit's giving up a position to General Prem, it has been done. However, General Chawalit's getting the Defense Ministry has been left for the future.

"General Chawalit used to be an aide to General Prem and worked with him for a long time. It would be difficult, therefore, for their mutual respect for each other to disappear. But the problem is that nowadays Prime Minister Prem does not make decisions after consulting only General Chawalit, as before; now he has many advisers. Who can guarantee that everything will be as we expect? A Chulachomklao Royal Military Academy Class 1 classmate has also remarked that an intelligent person such as General Chawalit won't be careless.

The same classmate indicated that it is very possible that General Chawalit will decide to concurrently assume the supreme commander's position in this year's reshuffle in order not to be careless and to guarantee the accomplishment of the military projects General Chawalit had announced. It is not worthwhile to wait for things to happen slowly.

"Originally we talked about giving this position to the prime minister; it is not that we don't trust him, but he is now surrounded by too many people," said the same officer.



"In his final years, in order for General Chawalit to establish systems in the military according to a set plan, it follows that it is necessary for him to be supreme commander. This is so that he can establish systems in the entire military, including the navy, the air force, and the supreme command," said the source.

13216/12859

CSO: 4207/235

1985 COUP LEADER INTERVIEWED ON EXILE IN FRG

HK060125 Bangkok BANGKOK POST in English 6 Jul 87 pp 1, 3

[Report on "Exclusive" interview of Colonel Manun Rukhachon, leader of 9 September 1985 coup attempt, by BANGKOK POST reporter Soomsuk Kasitipradit in FRG—date not given]

[Text] Dusseldorf--Colonel Manun Rukhachon, the fugitive leader of the 9 September 1985 coup, says he is trying to enter a university here to pursue a doctoral degree in social sciences.

Col Manun told the BANGKOK POST that his conscience has prevented him from applying for political asylum with the Bonn Government, even though it would make it easier for him to stay in West Germany.

If he sought political asylum and was allowed to stay in the country, he said, it would not be fair to those who have been jailed and are standing trial for the rebellion back home. He said that he has been given until October by the University of Bielefeld to learn enough German to qualify for admission to its doctoral degree programme in social sciences.

The colonel, who was once a close aide of General Prem Tinsulanon, said that although he was having trouble learning the language, "I will do my best and expect to pass the test."

Every day, he takes an early morning train from this town to Bielefeld, where he studies German.

He returns in the evening when the day's lesson is finished. He spends about 6 hours a day, Monday to Friday, studying German.

Col Manun has a master's degree in social science from Kasetsart University.

"I still don't know if the university will accept me. If I cannot pass the language test then it will be difficult to study here," he said.

"I now know enough for basic communication, but not for high-level education."

Asked what were his plans, the 53-year-old colonel, who took refuge here after the collapse of the 9 September coup against Gen Prem's government, said, "I have no set plans here so far."

"I arrived here when I was older, so it's quite difficult to permanently settle here. We (Thailand and West Germany) have many differences, even though it is a nice country."

Recalling December 1985, when he was nearly expelled by the Bonn Government because his 3-month visa had expired, Col Manun said he had misunderstood West German immigration laws.

The country allows foreigners to stay 3 months without visas, but they must seek permission from the government to extend their stay.

Knowing that his initial 3 months was to end in December, Col Manun went to Denmark, assuming that, the same as in Thailand; when he returned to West Germany he would be allowed another 3-month stay.

"When I returned to the country, I was asked to leave immediately as the 3-month stay without a visa had expired. The immigration law here says that if we want to stay for another 3 months, we must return to our own country and then fly back. That was impossible for me," recalled Col Manun.

He fled Thailand with his wife, Mrs Montha, who now operates a Thai restaurant here.

Col Manun said he had consulted a well-known lawyer in this city who asked him why he could not go back to Thailand.

"I told him the whole story of why we were here. The lawyer suggested that I seek political asylum to make it easier to stay in the country. He understands my situation and helps us to legally stay here," said Col Manun.

He added that the lawyer had sent a note to German officials in Bielefeld informing them that the colonel had no intention of violating German immigration laws.

The colonel is now staying on student visa which will expire on 31 October this year.

Asked why he doesn't apply for political asylum in West Germany, he said: "How could I? It would not be fair to those (coup suspects) who have been arrested in Thailand. I could not just run away. I know I could not do that."

However, he said, should he have no choice, he might have to reconsider his decision.

He declined to talk about the 9 September coup attempt, saying the case is still undecided and he does not want to jeopardise its outcome. He said he would "tell all" when the time was right.

However, he said, Assistant Army Commander-in-Chief General Phichit Kuknawanit, then First Army Region commander, should get the credit for helping end the confrontation without more bloodshed.

"He should be given credit because he is the senior officer who coordinated between the two sides to end the conflict. It was foolish to accuse him of being involved in the incident. I want to make that clear at this point because I feel we have to protect a good and competent military man from mud-slinging. Without him, I don't know what would have happened," said Col Manun.

He also praised other senior military men, including Army Commander-in-Chief General Chawalit Yongchit, for helping defuse the potentially-explosive situation.

He said he deeply regretted that foreign correspondents Neil Davis of Australia and Bill Latch of the United States were killed during the coup attempt, saying the tragedy was unexpected.

"I talked with officers who were in charge of the area (where the two died). They said the two were caught in the cross-fire. I would like to say it was an accident and I regret the incident."

When told that a certain group of politicians have been discussing a call for an amnesty for all those involved in the coup attempt, Col Manun said such a move would help forge unity in the country.

"There is nothing on earth more valuable than forgiveness. It (the amnesty) would be a wise thing for the government to do," said the colonel.

But he said an amnesty would be impossible unless Gen Prem agrees to it. "It's all up to the government, and when we talk about the government that means the prime minister."

Col Manun asked many things about Thailand during the BANGKOK POST interview which showed that he has not had much contact with home.

"Although I'm now far from home, I am still concerned about the country. Although the government has stripped me of my rank in the army, nobody can take away my nationality," he added.

/12232

CSO: 4200/703



**SOYBEAN PRICE SUPPORT MEASURES BEING CONSIDERED**

Bangkok SIAM RAT SAPDA WICHAN in Thai 7-13 Jun 87 p 13

[Report by Sapda Nopket]

[Text] Changing the Residue Soybean Import System; Caution Against Political Interference

The conflict continues among members of the parliament who are from the same party, as well as those from different parties, concerning the amendment of the patent act, as requested by the United States Government.

A new problem concerning changing the residue soybean import system from a quota system to a tariff system is likely to arise.

Although Thailand is an agricultural country which produces rice, corn, and tapioca for export--resulting in several billion baht in revenues for the country--soybean production in this country is insufficient. Soybeans have to be imported from other countries, especially the United States. Each year, millions of tons of residue soybeans, which are used as raw material to produce animal food, are imported from the United States.

However, the import restrictions on residue soybeans are set as part of the quota system by the Commerce Ministry. The system entails buying some from domestic sources, and such purchases then generate the right to import some from abroad.

Recently, the United States requested that the Thai Government change the residue soybean import system from a quota system to either a tariff system or a free trade system. The Commerce Ministry sent a proposal to the cabinet on 16 September 1986, to which the cabinet agreed.

After receiving the "green light" from the cabinet, the Commerce Ministry started preparing details and studying a new import system.

Meanwhile, the Agriculture Ministry appointed a committee to study the pros and cons of changing the residue soybean import system.

The results of that committee's study, which were recently announced, concluded that it is not appropriate to change the import system. To allow open

imports, despite a tariff barrier, would hurt Thai soybean farmers because their productivity is only 200 kilograms per rai, while the U.S. average is 360 kilograms per rai. The Thai cost of production is as high as \$5.20 per kilogram, while that of the United States is \$3.00 per kilogram.

If the United States were to seriously support its exports, the price of the imports would be cheaper than that of the domestic product. How could the domestic product sell?

Thus, the Agriculture Ministry is preparing to send a request to the cabinet to review the resolution of 16 September 1986.

The Agriculture Ministry Committee's conclusion is based on benefiting the farmers.

However, the Agriculture Ministry knows that it is not easy to oppose the United States, especially since the Thai Government has made a commitment. Therefore, there are two solutions: if it is unavoidable, the Public Warehouse Organization will have to monopolize imports and distribute them to consumers, or a middleman company will have to be established, with the vegetable oil extracting company, the animal food company, and the Agriculture Ministry as shareholders.

Both methods seem to be plausible solutions in order to guarantee the livelihood of the soybean farmers.

The Commerce Ministry is now in the midst of creating a formula for an import tax, including a surcharge, and guaranteeing a minimum price for soybeans in the country in order to eliminate the previous gaps so that the farmers will not suffer.

Actually, the resolutions from the Ministries of Agriculture and Commerce have the same principle of benefiting the farmers, but the methods are different.

When two government agencies such as these have different ideas, it can be supposed that it will lead to conflict, as has occurred in other incidents involving this government.

Each party wants to appear as though it is helping the farmers.

When observing the political strategies of people in the government it is interesting to speculate: when will they attack each other?

13216/12859

CSO: 4207/235

BRIEFS

**OUTGOING AUSTRIAN AMBASSADOR**--On 7 July Austrian Ambassador Rudolf Bogner made a farewell call on Prime Minister General Prem Tinsulanon on the completion of his assignment. [Summary] [Bangkok Television Service in Thai 1300 GMT 7 Jul 87 HK] /12232

**SCIENCE AGREEMENT WITH AUSTRALIA**--Australia signed a science and technology agreement with Thailand on 6 July as part of the program for increased collaboration with ASEAN. The agreement, signed by Deputy Prime Minister Phichai Rattakun and the Australian science minister, pinpoints five immediate areas for cooperation--applied microelectronics, biotechnology, remote sensing, scientific instruments, and material science--which are expected to generate over \$14 million for the two countries. [Summary] [Bangkok Voice of Free Asia in English 1500 GMT 6 Jul 87 HK] /12232

CSO: 4200/703

**LAOS PRESENTS FRIENDSHIP ORDER TO SRV OFFICES**

OW151902 Hanoi VNA in English 1507 GMT 15 Jul 87

[Text] Hanoi VNA July 15—A ceremony was held here today to confer the friendship order of the Lao People's Democratic Republic on several Vietnamese offices and provinces.

The distinction, said Lao ambassador to Hanoi Bouary Chaleunsouk at the ceremony was made in acknowledgement of the great contributions of Vietnamese offices and provinces to implementing the treaty of delineation of a border signed 10 years ago between Vietnam and Laos. The Lao diplomat further said:

"In furtherance to the border treaty signed on July 18, 1977, Vietnam and Laos have constantly promoted their time-honoured solidarity and special relations and solved the border question on the basis of equality, respect for each other's sovereignty, and in accordance with the interests of the two nations at present and in the time to come."

On behalf of the recipients, Luu Van Loi, head of the border delineation commission under the Council of Ministers, said that fulfilling the task of marking the Vietnam-Laos border was a major success for the special relations and mutual understanding between the two countries.

/8309

CSO: 4200/724



**HO CHI MINH CITY POLICE ARREST RELIGIOUS LEADERS**

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 9 Jun 87 pp 1, 2

[Article by P.V.: "Reactionary Group Arrested at Dong Cong Religious Order in Thu Duc While Engaged in Counterrevolutionary Activity"]

[Text] Following a discovery by the people, Ho Chi Minh City public security forces recently arrested a group of priests and clergymen from the Dong Cong Order in Tam Phu Village of Thu Duc District for organizing activities to oppose and destroy the revolution and to disrupt public security.

This group of individuals had used the Dong Cong Blessed Virgin Monastery in Tam Phu Village as a center for continuously conducting unlawful classes aimed at training large numbers of people, arriving from the provinces to live here illegally, into antisocialist elements. To support these illegal actions, they stockpiled hundreds of kinds of reactionary materials here that they had compiled themselves or translated from foreign sources, printed and published, with themes of resistance to the socialist regime and the people's government, creating a split between religious followers and the government, attacking patriotic and devout Catholics, and through distortion, creating confusion among the Catholic people. All of these materials were confiscated on the spot by the public security forces along with many other articles of evidence: a mimeograph machine, a paper cutter, paper, ink and other printing paraphernalia, a pistol and ammunition, etc. They had also accumulated over 70 tons of rice here in a location big enough to house and feed hundreds of illegal residents. In the private room of Tran Dinh Thu, the Dong Cong Order "General Director," they had constructed a secret tunnel leading to the outside.

While the public security forces were carrying out orders to conduct an administrative inspection and to search for and deal with articles of evidence, Tran Dinh Thu and a group of his accomplices incited a number of gullible Catholic people and organized a number of youths into several bands armed with sticks, knives, stones, etc. to surround and assault the state cadres engaged in carrying out their assignment. They spirited away some of the evidence and property, and razed a number of monastery facilities with the intention of falsely accusing the local administration. On the night of 19 May, they halted and attacked three unarmed public security personnel, ruthlessly beating and severely stabbing one of them.

Representatives from the Fatherland Front and Municipal Patriotic Catholic Solidarity Committee, and a number of priests of Thu Duc District made several visits to explain to and admonish Tran Dinh Thu but he refused contact and continued to direct his accomplices in activities to disrupt security.

On the night of 20 May, a municipal public security unit entered their den and arrested nearly all the counterrevolutionary leaders at the Dong Cong Order without spilling a drop of blood.

Since 21 May, order and security in this area have returned to normal. Representatives of the local government and Fatherland Front have explained to the Catholic people of this region about the extremely serious illegal actions of the Dong Cong Order in taking advantage of religion to organize activities against the socialist regime, against the government of the people, and to disrupt security. On the other hand, they also assisted the people in clearly understanding that party and state policy is consistent respect for freedom of religion, with simultaneous resolute and appropriate punishment in accordance with the law for the antisocialist actions of a group of reactionaries in the garb of priests and clergymen harmful to the normal patriotic and devout activities of religious believers and authorities.

7300

CSO: 4209/512

POLITICAL

VIETNAM

**VOCATIONAL TRAINING WORKSHOP OPENS IN HANOI**

**OW161803 Hanoi VNA in English 1502 GMT 16 Jul 87**

[Text] Hanoi VNA July 16—A workshop of trade union organizations in Asia and the Pacific on vocational training, employment and cultural education for young labourers opened here today.

The workshop is organized at the initiative of the Vietnam Federation of Trade Unions and with the assistance of the World Federation of Trade Unions (WFTU) and UNESCO. It is attended by representatives from the WFTU, UNESCO, and 15 (fifteen) trade union organizations in India, Kampuchea, Laos, the Soviet Union, Australia, the Philippines, Thailand and Vietnam. [Words indistinct] vice president of the Vietnam Federation of Trade Unions Vu Dinh said the workshop is important in that it deals with a burning question of the trade union movement in the region and the world as a whole.

He stressed that such a meeting provides a good opportunity for enhancing the solidarity and unity of actions in the struggle against the repression and exploitation by capitalism and multi-national corporations and for the defence of peace and security in the region.

/8309

CSO: 4200/724

## BRIEFS

**IRAQI REPUBLIC DAY**—Hanoi VNA July 16—Vietnamese leaders today sent a message of greetings to Saddam Husayn, secretary general of the Arab Baath Socialist Party, president of the Revolutionary Command Council, and president of the Republic of Iraq on the occasion of Iraq's Republic Day (July 14). The message, jointly signed by Nguyen Van Linh, general secretary of the Communist Party of Vietnam Central Committee; president of the State Council Vo Chi Cong, and chairman of the Council of Ministers Pham Hung, praised the important achievements in national construction and defence recorded by the Iraqi people under the leadership of the ABSP. "May the friendship and fine relations of cooperation between the Vietnamese and Iraqi peoples further consolidate and develop," the message said. Also on this occasion, Foreign Minister Nguyen Co Thach has cabled his greetings to his Iraqi counterpart Tariq 'Aziz, and the Vietnam-Iraq Friendship Association has congratulated its opposite number in Iraq. [Text] [Hanoi VNA in English 1506 GMT 16 Jul 87] /8309

**FRENCH BOOK EXHIBITION**—Hanoi VNA July 15—An exhibition on French books was opened at the Vietnam national library here today by the Ministry of Culture on the 198th National Day of France. Attending the opening ceremony were Vu Khac Lien, deputy minister of culture, and president of the Vietnam literature and arts union; Louis Amigues, French ambassador to Vietnam, and Patrice Jorland, French counsellor of culture, sciences and cooperation. On display are more than 300 books on literature, stage and history of France and other countries. After the exhibition these books will be presented to the library. [Text] [Hanoi VNA in English 1513 GMT 15 Jul 87] /8309

CSO: 4200/724



**BORDER FORCES YOUTH MORE ACTIVE, ARREST PRC SCOUTS**

BK290228 Hanoi Domestic Service in Vietnamese 2300 GMT 28 Jun 87

[Text] Young members of the youth forces, public security forces, and the armed forces in the coal mining region of Quang Ninh have actively coordinated their activities in stepping up the movement to safeguard border security and social order and safety. Nearly 620 basic youth union units—some 90 percent of the provincial total—have established brotherhood with each other and set up 108 solidarity blocs to coordinate activities among the 3 forces. These organizations have formulated fairly diverse and practical programs of action suited to the local situation and conditions under such themes as "In support of Border Outposts," "Youth Controls the Borderline," and so forth. Some 1,250 young members of the 3 forces operating on the borderline have volunteered to join assault youth security teams in carrying out joint patrol duty and setting up ambushes, and so set up special action cells whose job is to implement a 3-together (ba cungf) program toward the people of all nationalities to maintain vigilance and resolutely foil the enemy's scheme to sow division and encourage illegal immigration across the border.

The youth forces of border villages such as Dong Tam and Hoanh Mo in Binh Lieu District have, while joining the armed forces and militia and self-defense units on patrol, arrested 120 Chinese scouts intruding into our country.

In response to the "In Support of the Fatherland's Border Outposts" program alone, young members of the three forces in the province have encouraged the local youths to contribute 22.6 metric tons of fresh vegetables, 50,000 postal stamps, 42,500 mailing envelopes, 5 metric tons of rags, and other items valued at 13 million dong as gifts to border soldiers.

/12232

CSO: 4200/696

## ARMY PAPER EDITORIAL ON LOCAL REAR SERVICE

HE081306 Hanoi Domestic Service in Vietnamese 2330 GMT 5 Jul 87

[QUAN DOI NHAN DAN "Recent Issue" editorial: "Local Rear Service"]

[Text] Implementing the party Central Committee Secretariat's Directive No 67-TU on organizing and building local rear service committees at various levels under the direct leadership and guidance of party committee and administrative echelons, all localities throughout the country have, over the past 8 years, set up people's rear service committees from the grassroots to provincial and municipal levels. To date, these committees have been operating on a regular basis and really helping party committee echelons and administrative bodies at all levels in developing forces and creating the material bases to effectively support economic development and the consolidation of security and national defense locally. Most noticeable is that they have ensured material conditions and made preparations in all aspects for maintaining combat readiness overcoming natural calamities. Guaranteeing logistical support for military training drives and exercises organized for the mobilized reserve forces, drafting youths for military service, training and equipping the militia and self-defense forces, maintaining combat-alert militia and self-defense units, and providing support for provinces and districts on the northern border.

At present as well as in the coming years, the national defense expenditures earmarked annually for the various localities are and will be often insufficient to carry out mobilization and military tasks. Therefore, to satisfactorily fulfill the two strategic tasks it is necessary for all localities to continue maintaining, consolidating, and developing local rear service as well as people's rear service. However, since the adoption of the resolution of the Sixth Party Central Committee's Second Plenum, some local and grassroots cadres have displayed reservation and hesitation and even topped maintaining the operation of the people's rear service committees. In so doing, they cited as an excuse the following passage from the resolution: Besides taxes, the payment of which is mandatory, from now on all sectors and echelons are strictly prohibited from unwarrantedly imposing on cooperatives, production collectives, and peasant households obligatory contributions that cause losses to the people.

This spirit of the resolution, nevertheless, cannot be applied to national defense. We all know that developing local rear service--which is an

objective requirement for ensuring material logistic bases on the spot to support national defense, build the local armed forces, and prepare for and conduct the local people's war--is a must, be it in peacetime or wartime. On the other hand, people's rear service committees are not only set up in rural areas to mobilize agricultural products from peasants but also organized at all three levels--provincial or municipal, district or precinct, and village or city ward--to operate with diverse goals and with rational and reasonable forms and methods. The goals of local rear service consist of preparing forces, building battle positions, and creating supply sources. The forces participating in local rear service are the entire people; the battle positions of local rear service are closely linked to the battle positions of the local people's war; and the supply sources of local rear services include both human and material resources mobilized from all areas of economic, cultural, and social life, especially sectors closely connected with national defense.

The fundamental method for preparing local rear service is to combine economic construction with national defense; develop the aggregate strength of all forces and all branches and trades to meet the requirement for guaranteeing material-technical conditions for military activities and mobilization in every locality and grassroots unit; and, proceeding from this, build the material potentials for providing grain and food, fuel, essential supplies military equipment billeting facilities, medical services, transport facilities, weapon and equipment repair, civilian labor, and communication as required for military tasks.

Rear service detachments should be organized depending on the functions of the economic, cultural, and social sectors in relation to the task of ensuring rear service and military technology as well as on the tactical and campaigning requirements to the local combat plans. For instance, the grain and trade sectors should organize detachments to defend the network of warehouses and stores; the public health sector should have field hospitals and dispensaries and mobile surgery and medical units; the communications and transportation sector should have mechanized or rudimentary transport units; the industrial sector should have units whose duty is to repair weapons, vehicles, and artillery pieces; and so forth.

Building material-technical bases and organizing a local logistical supply network is vital to local rear service work. To create legitimate sources of supplies in a rational and reasonable manner, as stated in the resolution of the party Central Committee's Second Plenum, we should not impose obligatory contributions in addition to taxes; but instead, all localities and grassroots units should bring this matter to the attention of the public so that the people will know, discuss, implement, and inspect in satisfactory observations of the formula of joint efforts between the state and the people. In the process of implementation, it is necessary to satisfactorily carry out both educational and organizational activities so as to create an identity between awareness and action. Nevertheless, no matter what forms and methods may be used, the principle of equity should be guaranteed in building the all-people national defense system and in fulfilling the national defense system and in

fulfilling the national defense obligation so that the strength of the entire people, all branches and trades, and all localities and grassroots units will be brought into play.

An experience that should be studied for application is to organize national defense days and national defense weeks. On these days and weeks, all citizens—regardless of age, sex, social strata, and party affiliation—shall carry out in an equitable manner their obligation to defend the fatherland. In addition to their main task of engaging in military training and political study, the militia, self-defense, and reserve forces shall [use] spare time as permitted by their own regulations to participate in productive labor; and other people shall spend their labor building defense or combined economic-defense projects such as building ammo dumps, building roads, digging ditches, and planting bamboo trees around the village to create the material bases for developing local rear services. Some localities have announced the regulation that all male citizens from 18 to 50 years of age shall, for a period of time, perform active military duty or spend their labor building local economic-defense projects.

Specific plans should be worked out carefully to ensure efficient leadership, guidance, and execution in creating material bases as well as in controlling their utilization with attention paid to avoiding massive activities that are carried out for form's sake and guarding against corruption and waste of the people's human and material resources.

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CSO: 4200/696



## BRIEFS

**THUAN HAI BORDER ACTIVITIES**—To satisfactorily protect the fatherland's sovereignty and security in the territorial waters and islands, various youth union chapters of the Thuan Hai Province Border Defense Force have established brotherhood relations with youth union chapters in localities where the force is stationed. The youth union chapters of the border defense posts of Phan Thiet, Ca Na, Lien Hung, Phan Rang, Phu Quy Island, and the Eighth Company have established brotherhood relations with the local youth union chapters to organize patrols along hundreds of kilometers of coastline. The local people have provided combatants of the border defense force with hundreds of items of important information relating to the task of maintaining security along the coastline. As a result, the border defense force has captured and dealt with dozens of violations of regulations on the border defense task, especially encroachment by foreign vessels for illegally fishing and carrying out intelligence activities on our territorial waters. [Text] [Hanoi Domestic Service in Vietnamese 1100 GMT 8 Jul 87 BK] /12232

CSO: 4200/696

## BRIEFS

**COOPERATION TALKS WITH GDR HELD**--Hanoi VNA July 4--Vietnam and the German Democratic Republic have held talks in Berlin on furthering their bilateral economic, scientific and technological cooperation. During the talks Le Danh, vice chairman of Vietnam's State Planning Commission, and Gerhard Schuerer, GDR vice-premier and chairman of the State Planning Commission, noted that the GDR-Vietnamese economic relations developed successfully for mutual benefit on the basis of the two countries' treaty of friendship and cooperation. The two sides compared notes on the implementation of long-term bilateral agreements and measures to broaden economic, scientific and technological cooperation and trade. During his GDR visit, Le Danh was received by Horst Soelle, GDR vice premier and co-chairman of the GDR-Vietnam Commission for Economic, Scientific and Technological Cooperation. [Text] [Hanoi VNA in English 0711 GMT 4 Jul 87 OW]

**USSR-SRV ENERGY COOPERATION**--To score achievements to commemorate the 70th anniversary of the Great October Revolution, a representative of the SRV Ministry of Energy and the Soviet charge d'affaires to SRV have signed a pledge to emulate in completing sections of various energy projects being built in Vietnam with Soviet assistance. At the Hoa Binh hydroelectric power plant, Soviet specialists and Vietnamese workers are striving to complete the assembly of machine No. 1 in 1988. They are also making great efforts to put into operation machine No. 1 of the Tri An hydroelectric power plant in December this year and to commission steam boiler No. 8 of the Pha Lai Thermo-electric power plant in July. [Summary] [Hanoi Domestic Service in Vietnamese 2300 GMT 10 Jul 87 BK]

**NORTHERN WINTER-SPRING RICE**--As of 30 June, northern provinces and cities had procured 87.7 percent of their plan norms for the 1986-87 winter-spring rice. Ha Nam Ninh, Hai Hung, and Thanh Hoa Provinces exceeded their plan norms from 3.1 percent to 24 percent. Due to the recent adverse weather conditions and widespread harmful insects, it is likely that the rice production output of northern provinces will be reduced. However, these provinces are still striving to fulfill their grain obligation plan norms as soon as possible. For instance, Ha Nam Ninh has exceeded its plan norm by 10.4 percent while other provinces are striving to fulfill their obligations. [Summary] [Hanoi Domestic Service in Vietnamese 2300 GMT 5 Jul 87 BK]

**TAY NINH BORDER ROAD**--After 4 months of construction, the 20-kilometer long road in Tan Bien District running along the border between Vietnam's Tay Ninh Province and Cambodia's Kampong Cham Province has been commissioned. During construction, the engineering force detonated thousands of mines along the road. Thousands of workers in Tan Bien District helped dig more than 28,000 cubic meters of earth to build the road. [Summary] [Hanoi Domestic Service in Vietnamese 2300 GMT 8 Jul 87 BK]

## COUNCIL OF MINISTERS CHIEF ON UNCLAIMED PARCELS

BK260822 Hanoi Domestic Service in Vietnamese 1430 GMT 11 Jun 87

[Text] Thousands of parcels containing commodities of non-commercial value brought home or sent to their families by Vietnamese on work assignments or participating in labor cooperation programs abroad still remain unclaimed at Hai Phong Port. This has led to congestion and obstruction of operations at warehouses and piers and has created an opportunity for bad elements, working with the concerned organs, as well as for other undesirable individuals in the society to make illegitimate profits while at the same time inducing reaction from parcel owners.

To resolve the situation, the chairman of the Council of Ministers recently instructed the Ministry of Communications and Transportation, the General Department of Customs Services, the provincial people's committee and municipal people's committee, and [words indistinct] to resolve the problem. [Words indistinct] sea freight forwarding agencies, customs services, provincial security forces, municipal security forces, corporations in charge of non-commercial value commodities, and [words indistinct] to clear all unclaimed parcels at Hai Phong Port by (?15 June 1987) at the latest.

It is necessary to review existing procedures and immediately abolish unnecessary procedures likely to annoy recipients and create an opportunity for bad elements to make illegitimate profits. It is necessary to implement the contractual work between sea freight forwarding agencies and organizations handling commodities of non-commercial value, which have already existed in various provinces and municipalities, so that delivery can be made at locations most convenient to recipients and with on-site customs clearances. The purchase of commodities by state-operated trade organizations must be effected at delivery sites. Payments must be prompt and in accordance with the principle of mutual consent, without any pressure to make people take what they do not want or pay prices they cannot afford.

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CSO: 4200/898

## TRI AN HYDROELECTRIC WORKERS QUITTING JOB

Hanoi LAO DONG in Vietnamese 11 Jun 87 p 1

[Text] "The living conditions of we the laborers at Tri An are at an alarming level." This is the opinion of many workers presently constructing the power line of the Tri An hydroelectric project as expressed to reporters who visited the work site during the middle of May.

There is not only the problem that living conditions have become oppressive for laborers on the work site at this time. Worthy of concern is that a condition of quitting the job exists in a number of units with a number of those quitting being high-ranking machinists and welders. The youth union secretary of the machine assembly enterprise (General Construction Corporation 1) stated that up until May, the workers had only drawn their pay for March. The workers' wages are regularly a month or more late. Since April, the state has provided additional funds for between-shift meals for those working on the power line at a level of 50 to 100 dong per shift. In reality, many units have no money to provide meals in keeping with the system.

Generally speaking, the living conditions of the workers at Tri An are still low with each individual drawing only 2,000 to 3,000 dong per month. Nguyen Duc, Deputy Director of General Construction Corporation 1, stated that the difficulty at the present time is that the amount of cash supplied by the bank is extremely small, adversely affecting care for the lives of the laborers and reducing their work efficiency.

Although the living standards of the Tri An workers are low, they must still undergo other privations such as shortages of water, books and newspapers, movies, etc. Many female workers who came down from Bin Son to support the work site lament, "There is also a serious shortage of water for daily use, only a little in the morning and none from noon to night."

The Tri An Hydroelectric Work Site is entering a stage of urgent construction. To ensure generation of electricity from Turbine 1 by the end of this year, one of the methods for successfully achieving this objective is that sectors not neglect the need to promptly and thoroughly resolve the living difficulties of laborers on the work site.

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CSO: 4209/513



## STATE PROSECUTES ILLEGAL CEMENT SALES CASE

BK10338 Hanoi Domestic Service in Vietnamese 1100 GMT 27 Jun 87

[Text] State economic arbitrators have met to prosecute a case involving the unauthorized signing of eight contracts by Materials and Equipment Supply corporation No 3 of the Ministry of Building to see 1,460 metric tons of cement to a number of army units in the Third Military Region.

The case involves establishing contacts with speculators, faking state planned norms, and abusing economic contracts to buy and sell cement illegally, thus resulting in major losses for the state.

On the basis of existing state laws, the state economic arbitrators have decided to nullify the above-mentioned eight unauthorized cement sales contracts, impose on all parties involved a fine equal to 5 percent of the value of the amount of cement involved, and request the Ministry of National Defense, the Third Military Region, and the Ministry of Building to adopt administrative measures against the parties involved who deliberately violated state economic management policies and regulations and lent a hand to bad elements in undermining the economy at a time when the state is facing difficulties.

The state economic arbitrators have also submitted all related documents to the Supreme People's Organ of Control for Investigation and Confirmation of the Criminal Nature of the Case in Accordance with the Criminal Code.

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CSO: 4200/698

## BRIEFS

SRV, USSR SCIENCE TALKS--Hanoi VNA 26 June--Academician Nguyen Van Hieu, director of the Vietnam Institute of Sciences, and Nguyen Manh Cam, ambassador to the Soviet Union, have held talks in Moscow with G.I. Marchuk, president of the Soviet Academy of Sciences. The two sides informed each other of the implementation of the scientific research cooperation between the two countries, since Academician Marchuk's visit to Vietnam in January 1987. They decided on practical measures to push up the implementation of the agreements signed early this year in Hanoi. These agreements provide for Soviet assistance to reequip and expand the Vietnam Institute of sciences, build a Vietnam-USSR research station for oceanic biology in Nha Trang, carry out a general survey on Vietnam's sea and train postgraduates for the Vietnam Institute of Sciences. The two sides expressed their joy at the new prospect of their cooperation following General Secretary Nguyen Van Linh's visit to the Soviet Union. [Text] [Hanoi VNA in English 0715 GMT 26 Jun 87 OW] /12232

OVERSEAS VIETNAMESE VISITING--Since early this year, 220 overseas Vietnamese in Canada have paid visits to their homeland on the route agreed upon by Vietnam Tourism and the Quebec Cultural Association of Vietnamese Residents in Canada. According to the Ho Chi Minh City's daily SAIGON LIBERATION, among the 20 Vietnamese residents currently visiting Ho Chi Minh City, 15 had left Vietnam in the 1979-80 period, that is after the liberation of South Vietnam. In the meantime, eight overseas Vietnamese in France visited the country under the arrangement by the (Hit Voyage) travel agency of the Vietnamese Residents Association in France. [Text] [Hanoi International Service in English 1000 GMT 29 Jun 87 BK] /12232

ARCHBISHOP MARKS ANNIVERSARY--Hanoi VNA 1 July--Archbishop Nguyen Van Binh of the Ho Chi Minh City Diocese last weekend celebrated the 50th anniversary of his admission to the Christian ministry on this occasion, he was visited by representatives of the Party Committee, the People's Committee and the Front Committee of the city. Le Quang Chanh, vice chairman of the People's Committee wished the archbishop good health to continue his contributions to national building. Le Quang Chang conveyed to Archbishop Nguyen Van Binh a letter of congratulations from General Secretary Nguyen Van Linh, and presented him with the Ho Chi Minh City badge. Archbishop Nguyen Van Binh thanked the party, government and front for their solicitude for helping the Roman Catholic Church ordain six new bishops on this occasion. [Text] [Hanoi VNA in English 0720 GMT 1 Jul 87 OW] /12232

BUS SERVICE TO PHNOM PENH--Hanoi VNA 9 July--The Ho Chi Minh City-Phnom Penh Bus Line will be officially opened on 20 July, it was announced at a press conference jointly held in Ho Chi Minh City on 7 July by the communication and transport services of the two cities. In the initial stage, there will be three bus services each week starting at the same hours from both cities. [Text] [Hanoi VNA in English 0723 GMT 9 Jul 87 OW] /12232

UN SPONSORED COURSE--Hanoi VNA 12 July--A post-graduate course on techno-scientific information, the first of its kind in Vietnam, with funds from UNESCO and UNDP was ended here yesterday. The 1-year course conducted by Vietnamese and foreign lecturers mainly covered general informatics, information treatment, information of data, and design of information systems in service of socio-economic development in Vietnam. [Text] [Hanoi VNA in English 0720 GMT 12 Jul 87 OW] /12232

WORKSHOP ON LAWS HELD--Hanoi VNA 3 July--A 2-day workshop on the state and socialist laws in the light of the Sixth Congress of the Communist Party of Vietnam has taken place at the Nguyen Ai Quoc Higher Party School here. It was attended by some 80 leading officials, professors and researchers from the Nguyen Ai Quoc Higher Party School, the offices of the National Assembly, the State Council and the Council of Ministers, the Institute of Marxism-Leninism, the Commission for Social Science, etc. Nearly 40 scientific papers were presented of the workshop. They dealt with the current process of renovation of thinking, organisational work and mechanism of management as laid down by the Sixth CPV Congress and elaborated in party General Secretary Nguyen Van Linh's speech at the first session of the Eighth National Assembly, functions and working principles of the state apparatuses as well as socialist democracy and laws were also brought into discussion on the occasion. [Text] [Hanoi VNA in English 1448 GMT 3 Jul 87 OW] /12232

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